Congressional Record

PROCEEDINGS AND DEBATES OF THE SIXTY-NINTH CONGRESS
FIRST SESSION

SENATE

THURSDAY *May 13, 1926*

(Legislative day of Monday, May 10, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8186) to authorize the Secretary of the Interior to purchase certain lands in California to be added to the Santa Ysabel Indian Reservation and authorizing an appropriation of funds therefor, had agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEAVITT, Mr. SPROUL of Kansas, and Mr. HAYDEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 2475. An act to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924; and

S. 2996. An act to validate payments for commutation of quarters, heat, and light, and of rental allowances on account of dependents.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 292. An act to authorize the Secretary of Agriculture to acquire and maintain dams in the Minnesota National Forest needed for the proper administration of the Government land and timber; and

H. R. 5242. An act to repeal the act approved January 27, 1922, providing for change of entry, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill of the House (H. R. 8513) to extend the time for the construction of a bridge across the Monongahela River at or near the borough of Wilson, in the county of Allegheny, Pa.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7482) to provide for conveyance of certain lands in the State of Michigan for State park purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SINNOTT, Mr. SMITH, and Mr. DRIVER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3796. An act to establish a national military park at the battle field of Moores Creek, N. C.;

H. R. 9914. An act providing for the inspection of the Bull Run battle fields from and including Centerville and to and including Thoroughfare Gap and Warrenton, in the State of Virginia;

H. R. 10052. An act to authorize the sale of the Mesa Target Range, Ariz.;

H. R. 10203. An act authorizing the Secretary of War to convey certain portions of the military reservation at Monterey, Calif., to the city of Monterey, Calif., for street purposes;

H. R. 10312. An act to authorize the disposition of lands no longer needed for naval purposes;

H. R. 10385. An act to amend section 55 of the national defense act, June 3, 1916, as amended, relating to the Enlisted Reserve Corps;

H. R. 10503. An act to authorize certain alterations to the six coal-burning battleships for the purpose of providing better launching and handling arrangements for airplanes;

H. R. 10896. An act to provide for transfer of jurisdiction over the Conduit Road in the District of Columbia;

H. R. 10984. An act to amend the national defense act of June 3, 1916, as amended, so as to permit the Secretary of War to detail enlisted men to educational institutions;

H. R. 11355. An act to amend that part of the act approved August 29, 1916, relative to retirement of captains, commanders, and lieutenant commanders of the line of the Navy;

H. R. 11613. An act to provide for the study and investigation of battle fields in the United States for commemorative purposes;

H. R. 11762. An act to provide for the sale of uniforms to individuals separated from the military or naval forces of the United States;

H. R. 11927. An act to authorize the Secretary of War to sell a portion of the Fort Ringgold Military Reservation, Tex., to Rio Grande City Railway Co.;

H. R. 12043. An act to provide for the inspection of the battle field of Stones River, Tenn.;

H. R. 12103. An act to provide for the inspection of the battle field of Fort Donelson, Tenn.; and

H. J. Res. 226. Joint resolution authorizing the Secretary of War to lend 350 cots, 350 bed sacks, and 700 blankets for the use of the National Custer Memorial Association at Crow Agency, Mont., at the semicentennial of the Battle of the Little Big Horn, June 24, 25, and 26, 1926.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker of the House had affixed his signature to the enrolled joint resolution (H. J. Res. 134) authorizing the Cherokee Indians, the Seminole Indians, the Creek Indians, and the Choctaw and Chickasaw Indians to prosecute claims, jointly or severally, in one or more petitions, as each of said Indian nations or tribes may elect, and it was thereupon signed by the Vice President.

NATIONAL BANK BRANCHES

Mr. McLEAN. Mr. President, I call for the regular order.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Ferris	Harris
Bayard	Couzens	Fess	Harrison
Bingham	Cummins	Frazier	Heflin
Blease	Curtis	George	Johnson
Borah	Dale	Gillett	Jones, N. Mex.
Bratton	Deneen	Glass	Jones, Wash.
Broussard	Dill	Goff	Kendrick
Bruce	Edge	Gooding	Keyes
Butler	Edwards	Greene	King
Cameron	Ernst	Hale	La Follette
Caraway	Fernald	Harreld	McKellar

McLean	Oddie	Schall	Tyson
McMaster	Overman	Sheppard	Underwood
McNary	Phipps	Shipstead	Wadsworth
Mayfield	Pine	Shortridge	Walsh
Means	Pittman	Simmons	Warren
Metcalf	Ransdell	Smoot	Watson
Moses	Reed, Mo.	Stanfield	Weller
Neely	Reed, Pa.	Steck	Wheeler
Norbeck	Robinson, Ark.	Stephens	Williams
Norris	Robinson, Ind.	Swanson	Willis
Nye	Sackett	Trammell	

Mr. NORRIS. I regret to announce that my colleague, the junior Senator from Nebraska [Mr. HOWELL], is absent on account of a death in his family.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. McLEAN obtained the floor.

Mr. KENDRICK. Mr. President, will the Senator yield to me a moment?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Wyoming?

Mr. McLEAN. I will say to the Senator from Wyoming that I do not intend to speak more than 10 or 15 minutes, and after that I shall be very amenable to anyone who wants the floor; but I would like to proceed now before Senators leave the Chamber.

I am not a member of the subcommittee which had charge of the bill, but I have been chairman of the Committee on Banking and Currency for some time and I have been a member of that committee since the Federal reserve system was organized. I want the branch-bank controversy adjusted and settled. I think the American people want it settled and I think the banking interests want it settled. I want to say to my colleagues that the branch-banking controversy is just about as intense in the banking field as the wet-and-dry controversy is intense in the social and political field. For several years now I have received letters from one school insisting that a unit banking is bad and very bad, and from the other school insisting that branch banking is bad and very bad.

It seems to me that the time has come when we ought to adopt a policy that any fair-minded man can justify. We can not justify the so-called Hull amendments if they are adopted. No one has undertaken to justify them as between the banking interests. If a State bank in a State where branches are now permitted wishes to enter the Federal reserve system after the passage of this bill, it must get rid of its branches, while State banks that are already in the system can retain them. After the passage of this bill if a State which does not now have branch banks shall change its policy and permit them, no national bank and no State bank that wishes to become a member of the Federal reserve system can have a branch. That means that if we adopt the Hull amendments we shall not settle the controversy, but will intensify it and aggravate it. If, in any State of the Union now permitting branch banks, a State bank which has not entered the Federal reserve system wishes to come in with branches outside city limits, it can not do so, and Congress will be appealed to to do justice in the premises, and we can not refuse if we wish to be fair. So, if a State which now prohibits branch banking changes its policy, the national banks in that State and the State banks that are member banks will immediately appeal to Congress to be put upon an equal competitive basis, and if we are fair we can not refuse to grant their request.

Mr. President, I should not have said anything about the bill if the Senator from Wisconsin [Mr. LENROOT]—and I am sorry he is not here to-day—had not taken the position which he did yesterday. He admitted that the Hull amendments would perpetrate an injustice so far as the banking interests were concerned, but that he was interested in protecting the patrons of the banks, the public, and it was his fear that if we do not adopt the Hull amendments, if we enact the Senate bill, the large banks, both State and national, will put their heads together in the States and coerce legislatures into changing their policies and permitting branch banks.

Mr. President, the Senator from Wisconsin is a very able man. I hope he will represent the State of Wisconsin in the Senate as long as he lives. Wisconsin is a great State, and she has many able men there; but if she has any abler or better men than the senior Senator from that State, all I have to say is that she is exceedingly fortunate. So when the Senator uses the word "monopoly" it disturbs me, because it is a dangerous word to use in a legislative body—a word to conjure with. If it were true that the bill as amended by the Senate would permit or encourage in any way the larger banks to combine and force legislatures to grant state-wide branch banking, I would be just as strongly opposed to it as is the Senator from Wisconsin. I do not believe in state-wide branch banking, but, Mr. President, there is a restrictive feature in this bill which persuaded me to support it and sets an example to all the States which, if they will follow it, will absolutely prevent the results which are feared by the Senator from Wisconsin. I refer to the provision found on page 14 of the bill in subsection (e), as follows:

(e) No branch shall be established after the date of the approval of this act within the limits of any city, town, or village of which the population by the last decennial census was less than 25,000. No more than one such branch may be thus established where the population, so determined, of such municipal unit does not exceed 50,000, and not more than two such branches where the population does not exceed 100,000. In any such municipal unit where the population exceeds 100,000 the determination of the number of branches shall be within the discretion of the Comptroller of the Currency.

Mr. President, I assume from the position taken by the Senator from Wisconsin that he believes that the larger banks would have a strong motive, a valid purpose, in securing branch-bank privileges in States where they are now denied; but if they should secure such privileges, what would be the result? They would find themselves "hoist by their own petard." They could not establish a branch in a town of less than 25,000 population, and they could have but one branch in a town of 25,000 up to 50,000. What danger is there to the agricultural States of the Union and to the Northwest? How many towns having a population in excess of 50,000 are there in those States? Nobody has called attention to this restriction, but it seems to me that when it shall be understood it will be realized that it accomplishes the very thing we desire to accomplish. The very thing those opposed to monopoly would accomplish—it would encourage competition in the large cities.

Mr. SHIPSTEAD. Mr. President, does the Senator from Connecticut mean that in a town of 25,000 population a national bank can have one branch?

Mr. McLEAN. Yes.

Mr. EDGE. That restriction applies to a town with a population of less than 50,000.

Mr. SHIPSTEAD. The Senator from Connecticut said a town with a population of 25,000.

Mr. McLEAN. A town can have one branch bank if the population is in excess of 25,000; but if there are a dozen other towns in that State exceeding that population a bank can not establish a branch in any one of those other towns. What becomes of the fear of the agricultural States in this matter? Instead of encouraging branch banks, this provision of the bill would put an absolute restriction upon doing so, which, if followed, would render absolutely impossible the realization of any such fears as have been expressed, and the Federal Government would be setting a most worthy example. It was urged here on yesterday that we ought to take a stand against branch banking and adhere to it. If we pass the bill in its present form, what motive will there be for the large banks to coerce legislatures to grant state-wide banking privileges, for, if they succeed, they will be out of it?

Mr. HARRELD. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Oklahoma?

Mr. McLEAN. I yield.

Mr. HARRELD. I have understood that the main objection to the Hull amendments was that the national banker was seeking to be relieved from the action of the State banking laws which would permit State banks to have branch banks; but with the restrictions of which the Senator speaks, where does any protection lie? Suppose, for instance, the State banker has the right to establish as many branch banks as he wishes, under this restriction which the Senator from Connecticut has just read, the national banker would be limited to the establishment of one branch bank where the population of the city is between 25,000 and 50,000, and to two where it is between 50,000 and 100,000, and so on. Where is there any protection there for the Federal banks as against the State banks which may have the right to establish branches, while Federal banks would be denied that privilege?

Mr. McLEAN. The Senator realizes, of course, that we can not regulate the State legislation in this matter?

Mr. HARRELD. I understand that. I understood the Senator from Connecticut was trying to give relief to national banks where State banks were permitted to have branches.

Mr. McLEAN. Yes.

Mr. HARRELD. But these restrictions would negative that.

Mr. McLEAN. It is proposed that where the State law permits branch banking, then the national banks shall be put upon an equal basis in those States.

Mr. HARRELD. By this bill?

Mr. McLEAN. Yes.

Mr. HARRELD. I want to get clear as to that. I thought the Senator was arguing that these restrictions apply even to those cases where State banks are allowed to have as many branches as they may desire?

Mr. McLEAN. No; the purpose of the bill is to put State banks and national banks upon an equal competitive basis in the large towns.

Mr. EDGE. It would apply where a State bank was a member of the Federal reserve system?

Mr. McLEAN. Yes.

Mr. HARRELD. I understood the Senator was arguing that these restrictions applied in all cases alike, even in cases where the State banks were allowed to have any number of branch banks. I understand the Senator's explanation now.

Mr. McLEAN. If the national banks should combine with the State banks—assuming now that we shall adopt the Senate amendments, and the fears of the Senator from Wisconsin [Mr. LENROOT] are realized—if the national banks should combine with the State banks and should succeed in coercing the State into changing its policy and permit branch banks, the State banks could have branches in that State, but the national banks could not have such branches, not even in a city. What motive, therefore, would they have for combining to change the policy of the State?

Mr. HARRELD. With the restrictions which the Senator has just read, very little relief would be afforded in that situation, unless, as I understand the Senator now to say——

Mr. McLEAN. Under the Hull amendments, if they should succeed in changing the policy of the State, a national bank could not have a branch even in the same city, but under our bill if the State should change its policy a national bank could have branches within the city limits.

Mr. HARRELD. But only in accordance with the restrictions the Senator just read?

Mr. McLEAN. In accordance always with the restrictions. They apply to all.

Mr. KING. Mr. President, will the Senator yield to me for a moment?

Mr. McLEAN. Yes.

Mr. KING. Is it not really a controversy between two systems of banks and two theories of banking? There are many bankers in the United States who are in favor of a unit banking system, and there are many others who believe in branch banks. In those States where they have state-wide branch banking we can not prevent it, and Congress can not prevent those States which in the future desire to have branch banks from so legislating. The only thing we can do, and our only power, is to say to the Federal banks, those that are members of the Federal reserve system, "You may or may not avail yourself of the branch-banking provisions of any State law," but in order to give Federal banks within the Federal reserve system the same privileges which are now enjoyed by the State banks which have branch-banking provisions we must permit those within the Federal reserve system and within such States to have branch banks within a limited political or economic area.

Mr. McLEAN. That is right.

Mr. KING. But as to the States which do not have branch banks, having stricken out the Hull amendments, we do not say that Congress will attempt to coerce those States and prevent them from adopting whatever policy they may see fit respecting branch banks.

Mr. McLEAN. No; but we are setting them a good conservative example. We do not believe in state-wide branch banking but we do believe that the large banks in the great metropolitan centers may have what they call "tellers' windows" in different portions of a city to accommodate their patrons.

Mr. President, I have a communication here from the vice governor of the Federal Reserve Board. It is not of very great importance, but I wish to call attention to it. It has been claimed that some of the national banks at one time in the system have withdrawn and reorganized as State banks.

Mr. SMOOT. That is not on account of branch banking, however.

Mr. McLEAN. For what reason this communication does not state, but I know that some of them have gone out of the Federal reserve system and reorganized as State banks in order that they might have branch-banking privileges.

Mr. SMOOT. Mr. President, the Senator does not claim that that is the reason why many of the national banks have gone out of the Federal reserve system, does he?

Mr. McLEAN. The Senator knows the important reasons why they have withdrawn from the Federal reserve system, but some few of them have withdrawn to take advantage of branch-bank privileges.

Mr. SMOOT. I can not call to mind a single one, but there may be a few of them of which I do not know.

Mr. COUZENS. Mr. President, if I may interrupt for a moment, will the Senators tell us what the reason is for such withdrawal other than the establishment of branch banks?

Mr. McLEAN. Mr. President, they do not receive interest on their reserves. The Federal reserve banks can not pay interest on these reserves for this reason; I think the reserves at this time are about $3,000,000,000; and if they paid 2 per cent they would have paid $60,000,000 last year, whereas the net income of the Federal reserve banks—all 12 of them—was less than $10,000,000. They are not banks of discount and deposit, and two of the Federal reserve banks this year have not even paid expenses.

Mr. COUZENS. Does not the Senator think the more restrictions we put in this bill against the national banks the less advantageous it will appear to them to be members of the Federal reserve system?

Mr. McLEAN. Yes.

Mr. OVERMAN. Mr. President, will it not weaken the Federal reserve system if the House bill should be enacted?

Mr. McLEAN. I think it would.

Mr. OVERMAN. And finally it might destroy it?

Mr. McLEAN. It is certain that if we take the House bill and a State changes its policy and permits branch banks, then the larger national banks in that State will be compelled to go out of the Federal reserve system if they want to be put upon a competitive basis.

Mr. OVERMAN. Exactly.

Mr. EDGE. Mr. President, right there I do not agree with the suggestion that banks have not already gone out of the Federal reserve system entirely and exclusively because of branch-banking privileges. Banks have done so in Detroit, they have done so in New York, and they have done so in several other cities, according to the information I have received from the Comptroller of the Currency. That is the only reason assigned. They may have had other reasons, but that reason has certainly been assigned.

Mr. SIMMONS. Mr. President, the Senator from New Jersey is absolutely correct in that statement. In my own town a State bank sought admission into the Federal reserve system and obtained it. It subsequently determined that it was to its advantage to establish branches, and that bank withdrew from the system because it was not permitted to remain in the system and have branches. I think that process is going on, and I think a great many State banks that would like to become members of the Federal reserve system have been deterred from entering that system by reason of the fact that they can not carry with them their branches.

Mr. McLEAN. Yes.

Mr. SIMMONS. I did not rise, however, for that purpose. I want to understand this matter before I cast my vote. I am strongly disposed to vote for the Senate amendment, but I want to understand it exactly before I cast that vote.

As I understand, under the Senate amendment no attempt is made to restrain the action of the States at all with reference to branch banks. No attempt is made to exercise any jurisdiction over any bank unless it is a member bank of the Federal reserve system. If it is not a member bank we have nothing to do with it, either in the past, the present, or the future.

Mr. McLEAN. The Senator knows we could not if we tried.

Mr. SIMMONS. I do not think we could. I understand that if a State bank desires to become a member of the Federal reserve system, it can come in and bring with it its branches.

Mr. McLEAN. Under the Senate bill; yes.

Mr. SIMMONS. Under the Senate amendment it can bring with it its branches.

Mr. McLEAN. Yes.

Mr. SIMMONS. After this bill is passed, however, if a State bank desires to come in, it can not do it and bring its branches with it.

Mr. McLEAN. It can bring those already established, but it can not establish new ones.

Mr. SIMMONS. Unless they are already established.

Mr. McLEAN. That is right.

Mr. SIMMONS. If the branch bank is established after the passage of this bill, then the State bank entering the system can not bring with it that branch. That is true?

Mr. McLEAN. Yes; but it can establish new branches within the city limits.

Mr. SIMMONS. Yes. In the case of a national bank which is a member of the Federal reserve system, and must remain a member as long as it remains a national bank, as I understand, if that bank desires, after this bill is passed, in a State where

branch banking is permitted, it may establish branches within the corporate limits of the city in which the parent bank is located.

Mr. McLEAN. That is right; under the restrictions to which I have called attention.

Mr. SIMMONS. That is the way I understood it.

Mr. McLEAN. Mr. President, I said I would put into the RECORD this statement furnished by Vice Governor Platt, and I will keep my promise.

In the year 1919, 59 national banks retired from the system, with total resources of $115,000,000.

In 1920, 39 national banks retired from the system, with total resources of $140,000,000.

In 1921, 27 national banks retired from the system, with total resources of $112,000,000.

In 1922, 27 national banks retired from the system, with total resources of $31,000,000.

In 1923, 48 national banks retired from the system, with total resources of $46,000,000.

In 1924, 45 national banks retired from the system, with total resources of $38,000,000.

In 1925, 45 national banks retired from the system, with total resources of $31,000,000.

Making a total of $515,000,000 of resources withdrawn from the Federal reserve system.

Mr. REED of Missouri. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Missouri?

Mr. McLEAN. I do.

Mr. REED of Missouri. It would be interesting to know whether those banks withdrew from the system and then proceeded to incorporate as State banks and trust companies, or whether they went out of business altogether, or whether they withdrew by consolidation with other banks.

Mr. McLEAN. Some of them went out and were absorbed by other banks. As I stated, I do not know how many of them retired for the purpose of taking advantage of the branch-banking privilege; but some of them did. I put this statement into the RECORD, however, for this reason: We have 49 banking systems in the United States—the Federal system and 48 separate and distinct State systems. The situation is awkward in some respects, and probably uneconomical. We have no control over the State systems; and I hope no Member of this body wants to attempt indirectly to regulate those systems, because it will result, as all such attempts do, in a reaction that will be exceedingly unpopular; and if we tell the States by a process of indirection that they can not do a thing, that may very likely be an incentive to them to demonstrate to us that they can do it.

As I have said, we have 49 systems. The situation is awkward in some respects; it may be uneconomical; nevertheless, it does provide active competition among the credit merchants of this country. The money rate, the price of credit, is very reasonable at this time in comparison with the price of other things.

Mr. REED of Missouri. Mr. President, I do not want to interrupt the Senator unless it is agreeable to him.

Mr. McLEAN. I am perfectly willing to be interrupted at any time.

Mr. REED of Missouri. I want to go back to the figures given by the Senator of withdrawals of national banks. The Senator states that he does not know how many of them withdrew on account of consolidation or on account of failure, or whether they withdrew to organize under a State law. It is very important to have that information before we can determine at all with reference to the significance of these figures.

Mr. EDGE. Mr. President, if the Senator will permit me, I can give him that information. From the report of the Comptroller of the Currency for 1925 I read as follows, substantiating the statement made by the Senator from Connecticut:

> From October 21, 1923, to October 17, 1925, 166 national banks left the national system to engage in the banking business under State charters. These carried with them total resources of $566,000,000.

They represented 8 or 10 different States. I will not read the balance.

Mr. HEFLIN. Mr. President, if the Senator from Missouri will permit me in that connection, I should like to ask the Senator from New Jersey how many of these banks withdrew from the Federal reserve system prior to 1920.

Mr. EDGE. The statement that I have read contemplates alone the period from October 21, 1923, to October 17, 1925—two years, in other words.

Mr. McLEAN. I can give the Senator from Alabama the figures for the years 1919 and 1920. In 1919, 59 retired. In 1920, 39 retired.

Mr. HEFLIN. How many withdrew prior to 1920?

Mr. McLEAN. I have only the figures for the year 1919.

Mr. HEFLIN. Mr. President, very few withdrew until the Federal Reserve Board worked in cooperation with certain bankers in New York to bring on a panic in 1920.

Mr. REED of Missouri. Mr. President, I want to be perfectly candid and perfectly fair about this inquiry. I am making it for information and not in a controversial spirit at all. I take it, however, from the language which the Senator from New Jersey [Mr. EDGE] has read, that what is meant to be said is that these banks withdrew from the national system in order to incorporate under the State systems. If so, the withdrawals have a definite significance. If, however, the withdrawals were occasioned by consolidations—which frequently are really only a means of avoiding a failure—there would be no significance to the figures.

I know that in my own city, five or six—I think I am within the figures—national banks withdrew from the system in the sense that they consolidated with other national banks, which left only one bank where there had been two.

Mr. McLEAN. I did not understand the Senator's question. All of the banks that I have cited retired from the Federal reserve system in order to reorganize as nonmember banks—all of them.

Mr. REED of Missouri. That answers my question.

Mr. McLEAN. I thought the Senator's question was as to whether they left the national system in order to take advantage of the State branch privilege. That question I could not answer.

Mr. REED of Missouri. Now may I ask another question? How many of the banks so withdrawing to enter the State systems were located in States where branch banking is permitted, and how many of them were located in States where branch banking is not permitted?

Mr. McLEAN. I can not answer that question; but they all reorganized as nonmember banks after leaving the national system.

Mr. REED of Missouri. If the Senator will pardon me—I am trespassing on his time, but I hope he will pardon me——

Mr. McLEAN. Certainly.

Mr. REED of Missouri. There might be many other reasons, aside from the right to establish branch banks, which would cause a withdrawal. For instance, under some State laws a State bank or a State trust company can perform many acts which are prohibited to national banks; and so the withdrawal might not be at all because of an inability to establish branch banks, but might be for the purpose of acquiring the additional rights granted by State laws.

That leads me to remark, if the Senator will indulge me just a moment more, that the situation I have just discussed presents a problem that we will always have before us, namely: Shall we so modify the national banking system as to get in all of the State banks and trust companies, and, in so doing, so broaden the national banking system and its powers that we shall confer upon it every power that is conferred upon any State bank by the laws of that particular State? And if we do pursue that policy, how long will it be until we may endanger the entire structure of our Federal system?

I think we do not get to the meat of this matter by merely saying that we are going to permit the establishment of branch banks in order to keep national banks from withdrawing.

Mr. McLEAN. Was the Senator in the Chamber when I called attention to the restrictions in this bill against the establishment of branch banks?

Mr. REED of Missouri. Yes, I was; and I think the Senator's remarks on that point were illuminating, but I am afraid there is another side to the matter. But what I am talking about is another question. We are told here: "You must enlarge the national banking privilege so that the national banks can have branches in certain States"; and we are to do that in order to keep the national bank from transforming itself into a State bank or trust company.

The point I am making is that the reason for the withdrawal of State banks and trust companies is not at all to be measured by the one fact that they can not establish branches. They go out of the Federal system for other reasons. State banks and trust companies in some States possess powers that are prohibited to national banks, in addition to the mere right of establishing branches. If, in order to keep them in, we are to go to the extent of yielding in every instance and giving every power to the national bank that is possessed by the State bank and trust company in any State, then are we not in danger of undermining the entire Federal system? That is the question I would like to have answered.

Mr. McLEAN. On the contrary. I tried to express the view, in which I firmly believe, that the Senate committee bill is a

positive restriction and will prevent, as far as the Federal Government can go, the establishment of state-wide branch banks.

Let us take one of those large Northwestern States, like Wisconsin. There are probably only three cities in that State with a population of 50,000. I think there are four in the State of Minnesota, not more than that, with a population of 50,000. If we pass the Senate committee bill, no national bank and no member bank in that State can go outside of any one of those three or four cities and establish branches, and in those cities it can have one branch for 50,000, two for 100,000, and after that the number is under the regulation of the Comptroller of the Currency.

It seems to me that is a step the Federal Government ought to take to encourage and set an example to the States, indicating now that we do not believe in state-wide branch banking, and we demonstrate our disbelief in it by this law. It seems to me that it ought to be our purpose at this time to settle this question, and to settle it permanently. As I have stated, if we adopt the Hull amendment, Congress will be besieged every year with demands from member banks and national banks to put them on a competitive basis with other banks.

Mr. EDGE. Mr. President, if we adopt the Hull amendment, we practically state to 26 States in the Union that they can do as they please; that they can have state-wide branches if they please; but if we eliminate the Hull amendment, we announce to those 26 States that, so far as the Federal Government is concerned, they must confine their branches to municipalities.

Mr. McLEAN. Certainly.

Mr. WILLIAMS and Mr. COUZENS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Connecticut yield; and if so, to whom?

Mr. McLEAN. I yield to the Senator from Missouri. I believe he was on his feet first.

Mr. WILLIAMS. Mr. President, I would like to ask a question following the statement just made by the Senator from New Jersey. Am I correct in saying that the Hull amendment with respect to this particular question is found on page 19 of the bill, at the top of the page?

Mr. McLEAN. The one in controversy is subsection (c), I think, on page 13.

Mr. WILLIAMS. I understand, that one on page 13, subdivision (c).

Mr. McLEAN. Yes.

Mr. WILLIAMS. The Senator has the Pepper amendment?

Mr. McLEAN. Yes.

Mr. WILLIAMS. But at the top of page 19 the proviso is the thing contemplated in the so-called Hull amendment?

Mr. McLEAN. Yes.

Mr. EDGE. Yes; that is correct.

Mr. WILLIAMS. The Hull amendment was an amendment made in the House to the McFadden bill as introduced there, and that amendment has been stricken out by the Senate committee. It is a proviso which takes up the first seven lines on page 19, and the Senate committee strikes that out and substitutes section (c), found on page 13.

We have 1,300 or more State banks in the State of Missouri. We have just had a sharp issue raised in that State by a suit brought by the First National Bank of St. Louis, claiming the right to establish branch banks in the State of Missouri.

Has the Senator explained the difference between the Hull amendment and the Pepper amendment as being permissive under the circumstances set forth in the McFadden bill? For example, the McFadden bill provides that—

> It shall be unlawful for any member bank—

That means any national bank—

> to establish a branch in any State which does not, at the time of the approval of this act, permit banks created by or existing under the laws of the State to establish branches.

That is a direct inhibition and prohibition against national banks so establishing branch banks. The substitute inserted by the Senate committee is not a direct inhibition, but is permissive. It permits national banks to establish branch banks in States which permit branch banks.

Mr. McLEAN. In the cities. It is limited as to population, as I have stated.

Mr. WILLIAMS. Of course, in the cities, as the Senator has so clearly indicated. The real difference between the Hull amendment in the McFadden bill and the Pepper amendment in the Senate committee bill is that the latter gives an opportunity to the national banks to prevail upon the legislatures in the States to open up the way for them to establish branches. Is that all there is to it?

Mr. McLEAN. State banks would have the same privilege, bearing in mind all the time the restrictions. I do not know how many cities there are in Missouri of more than 50,000 population; probably not over four or five.

Mr. GLASS. Mr. President, the main difference between the two is that under the Senate committee amendment the State is left absolutely free to exercise its own judgment as to whether it will permit branch banking or not.

Mr. WILLIAMS. It is not the judgment of the State of Missouri that there shall be branch banking, and that is indicated by its legislative will.

Mr. GLASS. Precisely so, but legislatures sometimes change their will, and under the bill as it passed the House, should Missouri ever change its system of banking and authorize branch banking, none of its State banks could avail itself of the privilege, under penalty of exclusion from the Federal reserve system.

Mr. WILLIAMS. The Senator would really have no objection to the Hull amendment, would he, if the words "at the time of the approval of this act" were stricken out?

Mr. GLASS. That is the Hull amendment.

Mr. EDGE. That is all there is to the Hull amendment, those nine words.

Mr. GLASS. That is the Hull amendment. The Hull amendment serves notice upon the State of Missouri that the State shall never change its banking system, no matter how much it may desire to do so, with respect to branch banks, under penalty of the exclusion of all of its State banks from the Federal reserve system.

Mr. HARRELD. Mr. President, I would like to ask the Senator from Virginia a question. Take the case of Missouri. If the Hull amendment shall not be adopted, will there not be this danger, that the national banks will immediately get the State legislature of Missouri to change its law, granting the privilege of branch banking?

Mr. GLASS. The answer to that is that there is no Hull amendment in the existing law, and the national banks in Missouri have not done that.

Mr. McLEAN. Suppose they do it and succeed. They can not go outside of the city limits and establish branches.

Mr. HARRELD. They can not, if it is limited.

Mr. McLEAN. That is the point I am trying to make clear, that if the Hull amendment is adopted, the national banks will find themselves right where they do not want to be. If the State of Missouri should adopt the branch banking system, the national banks in Missouri could not have a branch bank anywhere.

Mr. HARRELD. In other words, where the State law already permits branch banking, before this becomes a law, then the provision restricting branches to cities would not apply, but it would apply to any State which would pass a law giving the privilege of unlimited branch banking.

Mr. McLEAN. They may bring in what they have when this bill passes. After they get in, no new branches could be established outside of the cities.

Mr. HARRELD. I do not quite understand yet. Here are two States. One of them at the present time permits branch banking; the other does not. This bill is enacted. After it is enacted the State that has no branch banking passes a law permitting branch banking. Then in that State there can be branch banks only in the cities, as is prescribed in the bill, but in the other State, which had branch banking before this law went into effect, there would be a right to have branch banking on the same basis as under the State law.

Mr. McLEAN. No; they can not bring in anything under the Hull amendment, if the Senator is talking about the Hull amendment.

Mr. HARRELD. I do not understand it, then.

Mr. McLEAN. I am not surprised, because it is rather involved. If the State which now prohibits branch banking changes its policy, under the Hull amendment no member bank and no national bank can ever have a branch in that State. Does the Senator understand that?

Mr. HARRELD. Yes.

Mr. McLEAN. But the State banks can go ahead and have all the state-wide branches they want.

Mr. HARRELD. I undersfand that.

Mr. McLEAN. I tried to emphasize that point, that instead of this being an encouragement to the national banks to join the State banks and coerce the States into changing their policy, it is absolutely restrictive, because if they succeed they get nothing out of it and the State banks get everything they want. Does the Senator understand that?

Mr. HARRELD. I understand that. But in the example I gave, where, at the present time, one State has no branch

banking and another State does have branch banking, would the passage of this bill as it is reported by the Senate committee affect those two States? That is what I want to know.

Mr. GLASS. Mr. President, if my colleague will permit me——

Mr. HARRELD. I am just asking for information.

Mr. GLASS. I have followed the Senator from Oklahoma, and I think I understand what he wants to reach.

After the passage of this bill, which does not interfere with the status in any State, no national bank in any State may establish a branch outside of the corporate limits of the home of the parent bank.

Mr. HARRELD. Does that apply to both the States I have mentioned?

Mr. GLASS. I have said so. If a State now permitting branch banking permits state-wide branch banking, and there are banks with county branches, we do not interfere with that existing status. They may retain such branches as they have established before the passage of this bill. But after the passage of this bill no national bank is permitted to have a branch outside of the metropolitan limits of the parent bank.

Mr. HARRELD. I think I understand it.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. SHIPSTEAD. Mr. President, I think I could not permit the matter to go to a vote without saying a few words on the amendment. I can not agree that the so-called McFadden banking bill settles the branch-banking proposition. I do not see how it settles the question at all. That question is going to come back here to plague us whether we pass the McFadden branch banking bill or not.

There are two schools of thought in the banking world, the small banker who believes in unit banking, and the big banker who believes in concentration of control and power. The peculiar thing is that both seem to be more or less satisfied with the McFadden bill. The banker who is opposed to branch banking is for it, and the banker who favors branch banking is for it. One or the other is going to be disillusionized.

Those who favor branch banking are for the Pepper amendment because they consider branch banking to be desirable. Under the Pepper amendment the process of establishing branches all over the country can be accomplished step by step by going to each individual State and having the legislature change the State law so as to permit State banks to have branch banks. When that is done we are going to have this question come back to Congress as we have it now. We are going to have the question come back here as the result of what the States are going to do. We are here now faced with the proposition because States have already in certain instances permitted branch banking, and so they come to Congress and say, "We must permit the national banks to go into the branch-banking business in order to be able to compete."

Mr. EDGE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from New Jersey?

Mr. SHIPSTEAD. I yield.

Mr. EDGE. Let me explain to the Senator a situation which he just passed over. The Senator anticipates that if the bill becomes a law it would develop a campaign, as it were, on the part of national banks, and perhaps State banks, to have the legislatures of the various States not now permitting branch banking to enact laws legalizing the same. In view of the fact that the McFadden bill has been before Congress for two or more years, that the McFadden bill has always contained the so-called Hull amendment, or at least that it has been under consideration, and that the so-called Hull amendment, if adopted, would prevent the national banks, as has been so often stated, from having branches in 26 States, is it not significant to the Senator that during those two years, when they could have taken advantage of the time before the bill became a law, with possibly the Hull amendment included, and tried to have secured legislation from some of the 26 States, that not one single State, to the best of my knowledge, has enacted any branch banking legislation? In other words, a whole year has gone by when any banker could see in the distance the possibility that he would be prevented for all time to come from having a branch. If it worried him, he would naturally have tried to anticipate the law and would have gone to his legislature and said, "You must pass a bill before the McFadden bill becomes a law; otherwise we will never be able to have a branch bank."

As a matter of fact, not one of the 26 States has so acted, so far as I know. That would seem to indicate that branch banking and the determination for branch banking is not so thoroughly imbedded and established among the bankers of the country as is sometimes charged. In fact, the Cook County Bankers' Association have issued a pamphlet, which no doubt Senators have seen, including the large, powerful, influential national banks in Chicago—Illinois being a State that does not permit branch banking—petitioning Congress at this time to adopt the Hull amendment, which would forever prohibit them from having branches in Illinois. I do not believe the bankers of the country are so much interested in branch banking unless the State banks are given the privilege, and then they naturally and properly want to be put on the same footing. That is alone what the elimination of the Hull amendment permits them to have.

Mr. SHIPSTEAD. Of course, it is a question of public policy, and Congress must establish that policy. The question is whether the country is going to inaugurate a policy and permit a system of branch banking to spread all over the country. Of course, they have not done so very much in the last year or two; but in the establishing of a national policy, in the history of the Nation a year or two is not a very long time; it is a very short time. Those who are for the Hull amendment recognize, whether rightly or wrongly, that it is a menace to branch banking they are for; but the Hull amendment, so they believe, will localize what they believe is a menace. It is recognizing it and localizing it.

If the Hull amendment is adopted, I do not believe it is going to localize or settle the problem or the controversy at all. Sooner or later we must face the problem, the controversy over whether or not we shall encourage the unit bank, independent banking, or whether we shall inaugurate a policy that gradually and progressively will eliminate the independent bankers, the small-unit banker, and concentrate control of banking credit in the hands of fewer and fewer people. It may take 25 or 30 or 40 years' time, but that is the danger we must face, and the sooner we face it the better off we shall be. It is, of course, true that the Senate amendment restricts banks in States that do not now permit branch banking. But if they change their policy, a bank in that State, being a member of the Federal reserve system, can not avail itself of the privilege, and it is considered a privilege of starting branches. But suppose that my State, after the enactment of this bill into law, changes its policy and permits State banks to have branches throughout the different parts of the State, does anyone believe that Congress is going—I see the Senator from Connecticut shakes his head. Does he wish to say something?

Mr. McLEAN. No bank can have a branch outside of its own city.

Mr. SHIPSTEAD. I say a State bank. What is to prevent it?

Mr. McLEAN. Under this bill——

Mr. SHIPSTEAD. I am not talking about this bill. I say if the State of Minnesota should change its policy and permit State banks to have branches all over the State, there is nothing in the bill to prevent the State of Minnesota from doing that.

Mr. EDGE. Of course not.

Mr. SHIPSTEAD. There is nothing to prevent the State banks of Minnesota availing themselves of that privilege.

Mr. EDGE. We can not dictate to the States. We are simply trying to protect our own business.

Mr. SHIPSTEAD. But we are confronted with this situation now because certain States have granted the privilege of branch banking to their banks, and so we are simply following in the footsteps of the States. In the event that other States change their policy and permit State banks to have State branches in various parts of the State, does anyone believe that we are not going to be confronted again with the same proposition and the same question, and that this is only one step? We are not meeting the situation fairly and squarely in my opinion. It seems to me the bill is a patchwork. It does not settle anything.

Mr McLEAN How would the Senator meet the situation?

Mr. SHIPSTEAD. I do not see how it can be met unless Congress absolutely dictates the policy of what shall be the banking system so far as the Federal Government is concerned. It can either say that no bank shall have branches or that all of them may have branches.

Mr. McLEAN. Does not the bill do that so far as national banks are concerned?

Mr. SHIPSTEAD. The national banks can not now have branches in a State where the State law does not permit the State banks to have branches.

Mr. McLEAN. Does not the Senator think if we did that that it would not encourage the States to adopt branch banks?

Mr. SHIPSTEAD. Of course, I do.

Mr. McLEAN. We do not want to do that. We want to do what is fair.

Mr. SHIPSTEAD. I am not accusing the committee or charging anyone with trying to be unfair, nor am I questioning their

motives. I know the committee has labored hard on this matter, but I can not see how they are settling the question at all. The Senator said he thought this bill would settle it.

Mr. McLEAN. If we adopt the Senate committee amendment—of course, it is dangerous to assume the rôle of a prophet——

Mr. SHIPSTEAD. Yes; I realize that.

Mr. McLEAN. My impression would be that the controversy will be removed from the Halls of Congress for some time, because we are settling it as between the banking interests, and if they remain loyal to it, it is a fair proposition; it is a proposition that any fair-minded man can defend and that the Committee on Banking and Currency can defend. But if we adopt the House amendment, the so-called Hull amendment, I will assure the Senator that the Committee on Banking and Currency in the next session will be called upon to amend it.

Mr. HARRELD. For the benefit of some particular State?

Mr. McLEAN. Yes.

Mr. SHIPSTEAD. Mr. President, I send to the desk a telegram and ask that it may be read.

The VICE PRESIDENT. The clerk will read as requested.

The Chief Clerk read as follows:

CHICAGO, ILL., *May 11, 1926.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

The following associations, representing approximately 9,000 Middle West banking institutions, respectfully ask that you aid in early enactment of McFadden banking bill as passed by House. In fairness to our national-banking system and as protection for the American system of independent banking it is imperative that the Senate concur in the action taken by the House. The Hull amendments, which were approved by Banking and Currency Committee of the House, and which are a part of the bill as passed by the House, virtually guarantee that branch banking, a monopolistic practice, shall not be permitted to destroy a banking system which has played such a leading rôle in the marvelous development of America. This is more than merely a banking question, for unless branch banking is effectively curbed the American people must resign themselves to the inadequacies of an European or Canadianized banking system. We shall deeply appreciate your assistance.

IOWA BANKERS' ASSOCIATION.
INDIANA BANKERS' ASSOCIATION.
MISSOURI BANKERS' ASSOCIATION.
WISCONSIN BANKERS' ASSOCIATION.
NEBRASKA BANKERS' ASSOCIATION.
ILLINOIS BANKERS' ASSOCIATION.
CHICAGO AND COOK COUNTY BANKERS' ASSOCIATION.

Mr. McLEAN. Mr. President, that is a sample of the propaganda to which I have been subjected for four or five years on the question of branch banking. I have plenty of such matters in my office originating from the bankers who believe in branch banking.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. REED of Missouri. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Mayfield	Shipstead
Bayard	Fess	Means	Shortridge
Bingham	Frazier	Metcalf	Simmons
Blease	George	Moses	Smoot
Borah	Glass	Neely	Stanfield
Bratton	Goff	Norbeck	Steck
Broussard	Gooding	Norris	Stephens
Bruce	Hale	Nye	Swanson
Butler	Harreld	Oddie	Trammell
Cameron	Harris	Overman	Tyson
Caraway	Harrison	Phipps	Underwood
Copeland	Heflin	Pine	Wadsworth
Couzens	Jones, Wash.	Pittman	Walsh
Curtis	Kendrick	Ransdell	Warren
Dale	Keyes	Reed, Mo.	Watson
Deneen	King	Reed, Pa.	Weller
Dill	La Follette	Robinson, Ark.	Wheeler
Edge	McKellar	Robinson, Ind.	Williams
Edwards	McLean	Sackett	Willis
Ernst	McMaster	Schall	
Fernald	McNary	Sheppard	

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present.

Mr. WILLIS. Mr. President, before the roll shall be called on the pending amendment I wish to make a brief announcement. Personally I am entirely satisfied to have the vote taken on the Senate committee amendment, which I shall support, and on the bill, which I shall support, if and when a vote shall be had; but I want to make an announcement in behalf of the senior Senator from Wisconsin [Mr. LENROOT], who is unavoidably absent to-day. He had expected that he would be able to return before the vote was taken. The Senator from Wisconsin is very much opposed to the Senate committee amendment; he is in favor of the Hull amendment, and would so vote if he were present.

The VICE PRESIDENT. The question is on the committee amendment as amended.

The amendment as amended was agreed to.

Mr. KING. Mr. President, the bill before us has some features that commend it to my judgment. It is not, however, a satisfactory bill and will prove a disappointment to the banking interests and to the country. In my opinion the Senate bill—that is, the bill with the Senate amendments—is an improvement over the bill in the form in which it passed the House. Candor, however, compels me to state that the importance of this legislation, when measured by the standpoint of the public good, as all legislation should be measured, has been greatly overestimated and exaggerated.

Bankers naturally have been interested in this measure. That is to be expected. The banking interests of the United States desire to retain the advantages which they enjoy and to obtain every advantage which it is believed other banking institutions have.

Questions of banking policy as a rule have been viewed by bankers from the standpoint of their own advantage, and whatever improvements in legislation have been accomplished have, when supported by bankers, been sought for the purpose of making banking safer for bankers and the stockholders of banks.

The Federal reserve act was intended to consolidate the control of the banking activities of the country in the so-called Federal reserve system. Of course, it was recognized that great benefits would result from that important legislation to the entire country. It was bitterly assailed by some bankers for reasons which were unsound—indeed, I have sometimes thought, from wholly selfish reasons. Important as the Federal reserve system is, and beneficial as it has proven to be to the entire country and particularly to commercial interests, it is nevertheless not a governmental institution. The stock of the Federal reserve banks is owned by banks. The profits are distributed to the member banks according to their share holding. If the member banks do not use their rediscounting privileges with the Federal reserve bank to which they are attached, they save the discount; but if the discounting privileges are used, the profits of the discount made by the Federal reserve bank come back to them in dividends after operating expenses are paid. The earnings, however, are limited to 6 per cent on the capital, and the residue passes to the Government as a franchise tax. But the Federal reserve banks have been prosperous; they employ a large personnel at unusually high salaries. They have constructed and are constructing permanent modern banking buildings at great costs; costs that in some instances would not be incurred even for permanent structures if there were not a plethora of funds on hand for these purposes.

A bank may, however, in some circumstances prefer to have state-wide banking, a savings department, to do a trust business, to make loans on the security of real estate, to be free from the rigorous Federal inspection, and to be able to use national-bank notes and credits in other banks as reserve; it may weigh these advantages or exemptions against the rediscount privileges enjoyed by member banks with the Federal reserve banks and decide to forego the rediscount privilege in favor of these other advantages.

A tendency to make decisions of this character manifested by national banks taking out State charters, and in some cases withdrawing from the Federal reserve system, has stimulated alarm as to the consistent development and future domination of the Federal reserve system of the banking activities of the country. It is to meet this apprehension that the present legislation has been framed. This viewpoint is declared by the Senate committee in its report, which states that the enactment of this measure into law will—

> put new life into the national-banking system and produce a situation in the Federal reserve system where the rights of the national banks will be more nearly on a par with those of State member banks.

The report refers to the fact that State banks are permitted to enter the Federal reserve system with their full charter powers, and this places at a considerable disadvantage the national banks operating under the old national bank act.

Reference is made to the fact that national banks can not compete on terms of equality with State member banks while at the same time they are compelled to bear the "chief burden in supporting the Federal reserve system."

The Federal reserve system, however, is not a burden; if the arrangements for rediscounting and the concentration of re-

serves in the regional institutions do not afford sufficient assurance and advantage for the banks to maintain the system, then there is but little reason why it should be maintained. The real costs are administrative costs only and the profits of the Federal reserve operation come back to the member banks. The Government franchise tax can be automatically forestalled by lowering rediscount rates to reduce profits.

There are many persons who believe that the Federal reserve system ought not to cater to State banks. From a Federal standpoint this system is maintained as a fiscal agency of the Government, and upon this ground alone Congress has the constitutional power to create such a system. It has been argued by some that there is no reason why the Government should have more than one fiscal agency in a city; that if there were but one member of the Federal reserve system in a city or trading center the franchise would become so valuable that there would be no claim concerning the burden of maintaining the Federal reserve system or of any threats by members to withdraw.

The Federal reserve system has made great strides in unifying clearing operations, and some contend that intercity clearings represent the great field for the operation of this system. Improvement in the facilities for clearing credits will result in the reduction of balances, a material shortening of credit terms, a saving of interest, the diminution of risk, and the prevention of the need for long-term and frozen credits. This will reduce the burden on reserves and also reduce the volume of banking, because quick liquidations will shorten the life of loans and reduce the aggregate to the minimum required to carry on the business of the country.

I think no one is seriously opposed to the liberalization of the national banking act as proposed under the amendments carried in this bill. Whether the public interest will be materially benefited by these amendments some will question. Doubtless there will be greater concentration in banking under this bill. The bankers will be benefited, at least those who favor consolidation and the elimination of small competitors. However, inasmuch as money rates are fixed by statute, it may be that this concentration will not be unduly oppressive to the public. The danger, of course, is in the tendency to favor interests which control the banks in the matter of loans and give them a preference in credits which contributes to the formation of combinations by those corporations enjoying a privileged position as to credits.

But looking at the situation by and large, it may be said that the country is suffering from overbanking. There have been too many small banks, and this evil will be aggravated by the multiplicity of branch banks. Many think the ideal situation is to have a few strong institutions in each city and limited as to their locus in the city, specified in their charters. This would insure local control and identify the banks with the local commercial, economic, productive, and industrial interests.

The committee's report clearly indicates that the motive behind this proposed legislation is an endeavor to prevent the spread of branch banking and that the urge behind this bill is largely from the banks who see their own interest and position jeopardized by the spread of branch banking, either by the method of purchase or absorption of different banks or by the establishment of new branches which will have the effect of bringing more competition into the field as against the complaining banks. Congress does not have control of the banking franchises or the banking policies of the States of the Union. Many States permit State banks to have branches throughout the State. There is nothing Congress can do directly and finally to prevent this practice. It is a question of State policy, and perhaps in most of the States the banking interests will determine legislative action.

If the banking interests of a State desire branch banking it is quite likely legislation will be enacted by the States in harmony with their desires. The motive behind this bill is not so much to prevent the Federal reserve system from impairment as to use this system as a means of curtailing and preventing the practice of branch banking. The committee state that the bill—

> recognizes the absolute necessity of taking legislative action with reference to the branch-banking controversy. The present situation is intolerable to the national-banking system. The bill proposes the only practicable solution by stopping the further extension of state-wide branch banking in the Federal reserve system by State member banks and by permitting national banks to have branches in those cities where State banks are allowed to have them under the State law.

The real controversy seems to be between the national banks and the State banks. National banks are not authorized to have state-wide branches, but are limited to the city with respect of which the charter is granted. The State banks in many States are entitled to have and maintain branches throughout the State. There has been a notable development of branch banking in California under State law and this has attracted wide notice from bankers generally and has provoked controversy between the national bank and the state-wide branch banks in that State.

The bill before us, as reported by the House, denies the establishment of branch banks in those States which now do not permit branch banking. It permits, however, State banks which have branches at the date of the approval of the act to become members of Federal reserve banks, with the branches in existence upon said date of approval, and retain the branches. But the bill will not permit State banks to become members of the Federal reserve system and to obtain branches which may be acquired or established after the date of the approval of the act, except such branches as are maintained in the city where the State bank has its parent institution. Of course, the laws of the State, in any case, must authorize branch banking. In cases where the national bank and a State bank are consolidated, the latter having branches, the consolidated national bank may retain the branches.

There are other provisions in the bill to which I shall not refer. The bill seeks to confirm the present status and permit State banks to enter the Federal reserve system with the branches they now have in States permitting branch banking but to prevent them from entering the Federal reserve system and retain branches which they may hereafter acquire or establish, and prevent State banks in the Federal reserve system from establishing or acquiring any new branches, except in the city where the bank may be chartered.

It is seriously doubted that the bill, if it becomes a law, will do any more than retard the branch-banking practice which has been regarded as otherwise advantageous and desirable in any particular State. Within 10 years branch banking has been greatly extended on the part of State banks, and it appears desirable that these State banks shall become part of the Federal reserve system and contribute to the reserves held by the Federal reserve banks. There are many who believe that the bars will again be thrown down for the admission of State banks, branches and all, into the Federal reserve system which may hereafter be formed.

From the standpoint of the concentration of reserves, which was the principal reason behind the Federal reserve act, it is desirable that the State banks should be members of the Federal reserve bank for their respective districts. It is contended by some that purely from the standpoint of reserves and the safety of banking generally, which come from the consolidation of reserves, it ought to be a matter of indifference to Congress whether State banks in the Federal reserve system have or do not have branches. If this view is correct, the controversy over branch banking is a rather quasi-private controversy between national banks and State banks.

The controversy in California between the national and State banks over the question of branch banking was presented at great length to the committee. There was some feeling exhibited and branch banks were denominated by one or more witnesses as "bootlegger banks." I mention this to indicate that in its true magnitude there is something of the quasi-private character in this controversy. Of course, the attitude of the antibranch bankers of California is approved by bankers in many parts of the country, and their position in curbing branch banking has been made clear and has been earnestly presented to both the House and the Senate.

This bill will not settle the controversy. Many persons believe that Congress ought either to make the Federal reserve system a strictly nonbranch system or it ought to throw open the system to State banks without regard to the fact as to whether or not they maintain branches under their State charter powers. The bill before us seems to be a compromise on this question. As it passed the House it accommodates the present situation as to branch banks and makes a threat as to the future, which will scarcely frighten any State bank which really desires banks, and takes the view that its branch banks are worth more to it than a rediscount privilege accorded members of the Federal reserve bank.

Some of the ablest students of banking and currency problems are not giving support to this measure. They regard it as premature and as not framed with a view to meeting the real problems of the national-banking and Federal reserve system. That is the view of Dr. Henry Parker Willis, one of the highest authorities upon this question that can be found in this or any country. There are factors of vital importance in the banking situation which require treatment from Congress, which can only be accorded after a full and comprehensive

examination and a review of the whole banking field in the country, including the relation of State and national banks to the general banking activities of the United States.

Mr. President, I regret that the Banking and Currency Committee of the Senate did not report a measure more comprehensive in its character. The situation demands a measure far different from the one before us. On the 4th of January last I offered a resolution which directs attention to the defects in our banking and currency system and points out what I believe to be the proper steps to be taken in order that Congress may enact a measure that will satisfactorily meet the banking situation. I am confident that if the committees of the House and the Senate charged with the duty of framing needed banking and currency legislation had undertaken an investigation of the character indicated in my resolution we would have had before us a bill materially different in its terms and provisions from that now being considered.

Mr. GLASS. Mr. President, may I interrupt the Senator?

Mr. KING. I yield to the Senator from Virginia.

Mr. GLASS. I may say to the Senator that very likely he himself will recall that this resolution came to us practically after the committee had completed its inquiry, and that, incident to the preparation of this very bill, the Banking and Currency Committee has secured practically a library on the very subject to which the Senator is now addressing himself, embracing the most comprehensive, the most exhaustive, detailed, and complete report right along the lines of the Senator's resolution that Congress has ever had since the report of the monetary commission in 1910. If the Senate will merely authorize the publication of that report, we shall have at hand, as I have stated, a library that covers every point suggested in the Senator's resolution; and I can assure the Senator that the Banking and Currency Committee of the Senate is altogether agreeable to the consideration of the very matters he suggests in his resolution.

Mr. KING. Mr. President, my recollection is that the hearings before the Senate committee began several days after my resolution was offered. Indeed, as I recall, Doctor Willis was the first witness who testified before the committee, and my resolution had been offered prior to his appearance. However, I appreciate the statements made by the able Senator from Virginia, and sincerely hope that the monumental work presented by Doctor Willis will be published and given not only to the banking interests but to the people of our country.

I am somewhat familiar with the valuable contribution made to this intricate subject by Doctor Willis. It is the data presented to the Senate Committee by Doctor Willis to which the Senator from Virginia refers. In his testimony before the committee, Doctor Willis, referring to the bill before us, known as H. R. 2, said:

> My point is that the effect of H. R. 2 is hurting the possible expansion of the system (referring to the Federal reserve system) rather than strengthening it, as has been alleged. * * *
>
> I believe the King resolution, which is before you and calls for a general investigation of banking conditions in this country with the view of a revision of the banking legislation and getting a sound revision, is desirable. I want to make some small contributions to that, and so I present here, in volume 7, a digest or revision of the Federal reserve act and of the national banking act, which is intended to eliminate the obsolete features of both and to consolidate those sections that are repetitions and add some new features. I have no idea, of course, that it will receive more than passing attention, but I do seriously urge that some investigation be promptly undertaken for the purpose of getting similar results.
>
> I do not see that there is any emergency existing calling for the passage of H. R. 2 at the present time. The only emergency is the continuance of the present epidemic that calls for some legislative adjustment that will not make it worse, as H. R. 2 will do, but that will check it.
>
> If H. R. 2 is to be passed, it needs drastic and complete revision from the ground up. Better still that it should not be passed at all, but that the whole subject be deferred to the future that, in the meantime, it may be carefully examined.

Mr. President, the resolution which I offered is as follows:

Senate Resolution 106

Whereas the Federal reserve act of December 23, 1913, which established the Federal reserve system, has for its principal purpose the concentration of the banking reserves of the country; and

Whereas the complete concentration of banking reserves may only be accomplished by bringing the State as well as the national banks into correlation with the Federal reserve system; and

Whereas a large proportion of the State banks have never entered the Federal reserve system and a considerable number of national banks have surrendered their charters and have been converted into State banks; and

Whereas such converted banks frequently leave the Federal reserve system at the time of their conversion and otherwise are free to leave the Federal reserve system at any time if they so elect; and

Whereas it is claimed that banks incorporated under the banking laws of the several States are vested with corporate privileges, and exercise a latitude of discretion in their operations, which are denied to national banking associations, particularly with respect to the currency and funds available for reserves, loans upon the security of real property, the exercise of certain fiduciary powers, the maintenance of branch banking offices, the acceptance of time and savings deposits; and are otherwise not subject to the same necessary restrictions as are State banking institutions; and

Whereas during the past two years there have been an unprecedented number of failures of both national and State banks, the underlying causes of which have not been ascertained and the proper means for the prevention of which have not been determined; and

Whereas there is believed to be a lack of coordination in the examination of national and State banks in order that examinations shall be thorough and frequent, yet without unnecessary duplication; and

Whereas a conflicting competition is developing between national and State banks, the course of which will have an important effect upon the future of the Federal reserve system and of the national-banking associations: Now therefore be it

Resolved, That the Committee on Banking and Currency be, and is hereby, authorized and directed to study the relative increase in the number of State banks as contrasted with national-banking associations; the rights and privileges vested in State banks which are not granted but which may be safely granted to national-banking associations; the restrictions and safeguards now imposed upon State banks which may with safety be imposed upon national-banking associations; the failures of State banks and national-banking associations since the enactment of the Federal reserve act, the causes thereof, and the proper means for the prevention of such failures; the character of official supervision exercised over State banks and national-banking associations; the policy and economic effects of branch banking and of so-called chain banking or holding-company banking, by which an individual or a group of individual bankers or of banking or other corporations exercise a controlling interest in a number of banks; the causes, extent, and effects of bank mergers and bank consolidation; the relation between investment banking and commercial banking by State banks and national-banking associations; the present status of savings deposits and the best means for protecting them; the policies of the Federal Reserve Board and their effect upon State banks and national-banking associations; the general operation of the Federal reserve system, both at home and in relation to foreign central banks; whether so-called "war amendments" to the Federal revenue act ought now to be repealed.

Mr. President, the statement of Doctor Willis shows the defects in the present bill and the necessity of a more thorough study of the entire subject before legislation is enacted. The testimony which he offered and the data which he submitted, if carefully studied by Congress, will enable it to formulate needed legislation.

When I offered the resolution I believed that the hearings before the House Committee on Banking and Currency did not cover the subject nor furnish sufficient data to enable Congress to deal with the question in a thorough and satisfactory manner. I believed that the McFadden bill was incomplete; that it was even less than a temporary bridge over a stream which was of rather large proportions; and that prudence dictated that legislation be deferred until the necessary study of the subject had been made. Everyone admits that our banking and currency laws need many changes; that notwithstanding the great benefits which have resulted from the Federal reserve act the time had come for an appraisal of its achievements and results and a careful scrutiny of its operations in order that any defects discovered might be rectified.

The former opponents of the Federal reserve act are now its most enthusiastic supporters. It was the rock of our salvation during the war, and under its operations and largely because of its wise and beneficent provisions our country has reached a position of financial strength and power never before attained by any nation.

But notwithstanding the preeminent position now occupied by our Nation in the financial world, and notwithstanding the fact that we have perhaps the finest and greatest banking system in the world, it is manifest that further study is required. Before any adequate banking and currency legislation is enacted comprehensive and thorough study should be made. I am not clear why the Banking and Currency Committee of the Senate, in the light of Doctor Willis's illuminating state-

ment and the mass of facts which he submitted, and in view of the great confidence which the members of the committee have in him, felt it necessary to report the pending bill. In my opinion they should have studied the facts and materials and data which he submitted, and in the light of the same reported a bill which would have measured up to the needs and requirements of our country.

However, I shall vote for the bill, though it is not what I should like. The appeals made in behalf of banks within the Federal reserve system, because of the disadvantage under which they are placed in those States which provide branch banking, impress me with the necessity of granting or providing relief.

The question of branch banking is still a live issue in this and in other countries. I am not satisfied that it is under all circumstances an evil per se. Perhaps Canada furnishes an example that supports the view that branch banking may develop into a serious evil. There it is claimed banking is almost a monopoly; the credits of the country have been so consolidated that a monopoly exists, and a condition has been created which is an impediment to the development and growth of the country.

With my present views I should like to see no extension of the branch-banking system in the United States. I perceive some evils, as it has been developed and is being developed in some of the States of the Union. I am therefore in sympathy with the provisions of this bill which tend to curb branch banking.

Mr. President, I had intended to say but a few words and to invite the attention of the committee to the resolution which I offered on January 4 last. Before taking my seat I would like to ask the chairman of the committee whether the testimony and data submitted by Doctor Willis will be printed?

Mr. McLEAN. Mr. President, I can not answer that question. The Senator knows that estimates have been made as to the cost.

Mr. KING. Yes.

Mr. McLEAN. The best estimate we can get is not less than $17,000, if I remember correctly. Of course, the Senator realizes that at this time, when we all want to economize as much as we can, there would be some opposition to that, I think. Still it is a very valuable contribution. So far as I am personally concerned, I will say to the Senator that I should not object to the printing of that report, notwithstanding the cost of it; and that is about all I can say.

Mr. KING. The Senator but recalls what the Senator from Virginia [Mr. GLASS] said. He referred to the resolution which I had offered, and then stated that the testimony of Doctor Willis was a library and that it covered substantially all of the questions embraced in the resolution.

Mr. GLASS. Mr. President, not the testimony of Doctor Willis. Doctor Willis was one factor in this investigation. The investigation was conducted by a group of experts, composed, I suppose, of 20 persons.

Mr. KING. What I meant was that he presented it formally.

Mr. GLASS. Yes.

Mr. KING. I did not mean, of course, that all that he presented was oral testimony. He testified at length and then presented to the committee a vast amount of material and data dealing with all phases of our banking and currency system.

Mr. REED of Missouri. Mr. President, the Senator states that this bill is the best that we can get at the present time. I should like to have the Senator enlighten me on what advantages this bill gives over the present situation. I understand that the Senator is not in favor generally of branch banking.

Mr. KING. No.

Mr. REED of Missouri. Now, what are the advantages of this bill? I wish somebody would tell us.

Mr. KING. Mr. President, I am not a member of the Banking and Currency Committee, and I do not claim to be a profound student of fiscal and banking and currency matters. I can not answer the Senator as satisfactorily as other Senators could, but in a word the advantage which is claimed for this bill, as I understand, is this:

In many of the States, 22 in number, branch banks are permitted by State laws. Those banks have an advantage, so member banks of the Federal reserve system claim, in the States, because they have branch banks, and the Federal banks within the reserve system are denied that advantage. Therefore the Federal reserve banks, in view of the fact that they can not compel the dissolution of those branch banks, want some of the advantages which the State banks have under the branch-bank system, and therefore they desire that they may have branch banks within the limited area, the economic region which they serve, or the political or territorial subdivision; but they are not willing to go further. As I understand the situation, they do not desire that they shall be permitted to have state-wide branch banks, but branch banks only within those States which permit branch banks within the economic area to which I have referred. Others, however, supporting the Hull amendment, want Congress to coerce the other States that do not have branch banks—that is, if this legislation, the Hull amendment, would be coercive—so that they will not amend their banking laws and permit branch banks.

So, answering the Senator from Missouri in a word, the advantage that I understand is claimed for this bill is that in those States that have branch banking it will permit the member banks of the Federal reserve system to have branch banks within a limited area.

Mr. REED of Missouri. Then I understand that the Senator, as a man who is opposed on principle to branch banks, wants to help pass a law that will establish branch banks in twenty-some States?

Mr. KING. No; I do not think I said that. If I did, I did not mean to convey that idea. What I did say was that I was not satisfied that branch banks per se were an evil, and I was not satisfied that unlimited branch banks would not prove a great evil; and I instanced the fact that in Canada, where they have branch banks, they have practically destroyed the unit-bank system, and all of the credits are in the hands of four banks in Montreal and another large city. That I would regard as an evil; but of course Congress can not interfere with the rights of States; and if they want branch banks, Congress will be unable to prevent them from affirmatively acting. Of course we can deny to Federal banks the right to avail themselves of the branch-banking system which any State might adopt.

My position is something like that of the Senator from Virginia, as announced by him yesterday when discussing the bill. As I understood him, his view was, while the last word had not been said upon the subject of branch banking, he favored the present bill which restricted and limited Federal reserve banks from maintaining branch banks. He was also unwilling to pass legislation at least at the present time which would deny to Federal banks the right to establish and maintain branch banks in those States which hereafter might change their present banking laws and permit State banks to establish branch banks. My predilection is against branch banks, and I think as a general proposition, or at least as an academic question, a branch-banking system may prove a serious injury to the economic, industrial, and commercial development of a community or State or nation.

With my present views I should like to see a halt in the further establishment of branch banks. In the meantime I hope that Congress will give exhaustive study to this subject as well as to our general banking system and formulate legislation that will meet all of the needs of this puissant Nation and its virile and progressive people.

Mr. REED of Missouri. Mr. President, I desire to say just one word about this bill.

I think that the present conditions are not at all critical. We have gotten along pretty well under the present law. We seem to have here a bill that satisfies neither the branch-bank advocates nor the advocates of unit banking, and we are asked to pass it, the chief argument being that a number of banks have retired from the Federal reserve system and have gone into the State banking system; and we are told that therefore we must permit the establishment of national bank branches in those States where the system of State branch banks exist.

Mr. President, the trouble with that argument is that it has not any facts to rest on. The real purpose of this bill is not in a general way to remedy the banking situation in this country. It is to extend the privilege of establishing branches in those States where the State laws permit it.

We are told that the banks are withdrawing because the State banks have the privilege and the national banks do not, but the trouble with that argument, I repeat, is that it has no facts to stand on. The withdrawals from the national system have occurred in those States where the State banks are not permitted to have branches, just the same as they have occurred in those States where the State banks are permitted to have branches, which demonstrates the accuracy of the statement I made a while ago, that the reason for the withdrawals can not be charged to the inability to establish branches, to the fact that State banks or trust companies may establish branches. The reason for the withdrawals must rest outside of that particular reason.

What are the reasons? They are many. In some States a State trust company can transact almost any kind of business under the State law. Some of the State laws are so drawn that it can almost engage in the business of farming. It acts

as trustee; it acts as guardian; it acts as administrator; in some instances, I think, it actually gives bond for the faithful performance of duties by public officers and private citizens. It is because national banks want to gain advantages of that character that they are going out of the Federal reserve system, more than on account of the fact that they can not establish branches. Yet the remedy here proposed is simply to permit the establishment of branches in certain States.

If we want to keep in the Federal system all of its present members, and if they are going out because under the Federal law they can not engage in certain lines of activity which they desire to enter upon, then it is our business to find out the real reason and to direct our attention to the question whether we can afford to pay the price necessary to keep those banks in the Federal system; that is to say, whether we are willing to confer upon national banks the right to engage in the lines of business now prohibited.

That brings up sharply the question whether, in order to keep the banks in the Federal system, we must not give to them every right and every privilege which is claimed by the banks in any State, and simply say that a national bank can engage in any line of business which is permitted to State banks or trust companies by the laws of the States where they are located.

So we will have not a Federal system, formulated in accordance with a specific plan which has been determined by the Congress to be safe, but we will have a Federal system subject to the whim and the caprice of the various State legislatures that may be from time to time assembled. So that in the end we may have a Federal system absolutely rotten and unsound, and made so because we have destroyed its soundness in an attempt to extend to its members every privilege that is extended to any State bank or trust company by the legislature of any State.

That is a very serious problem, and we are dealing here today with the smallest part of that problem, the effort to keep these banks in the system by extending the privilege to establish branches in certain States. That is not the thing that is taking them out of the system at all. It is a false argument. They are not leaving the system because they can not establish branches. I undertake to say that there is not a word of testimony in the record—and I have not read it; I am simply following the line of reason and common sense when I make the assertion—I undertake to say that it can not be proven that a single bank has left the Federal reserve system because it was denied the poor privilege of establishing a branch.

That, in my judgment, is a complete answer to the whole contention that is put forward in support of this bill. What those behind this legislation want to do is to extend the branch-bank system, and they have not quite enough confidence to ask to extend it to every part of the Union, so they ask to extend it to those States where State banks and trust companies are permitted to have branches. The moment that is done we will be confronted with an appeal stating, "You permit a part of the banks in the Federal reserve system to have branches, and therefore you ought to extend it to all the other States." That brings up, then, the question whether, as a general proposition, we want to extend the privilege of establishing branch banks.

Of course, if we kept within certain limits, there would be no danger. If, for instance, in a large city a bank were permitted to have one or two or three branches which were merely for the accommodation of customers, there would be no particular danger. If we had a bill of that kind before us, I would not object. I would not object, for instance, if the National City Bank in New York City, for the accommodation of its customers, wanted to establish a branch or two or three branches, located in convenient portions of that great city. If such a bill were here, I would not object to it.

Mr. McLEAN. Mr. President, that is precisely what this bill would do.

Mr. REED of Missouri. But the bill would do more. The bill would do the other thing.

Mr. McLEAN. I do not agree with the Senator.

Mr. REED of Missouri. When it is proposed to enlarge generally the right in many States to establish branch banks I think the whole question of the wisdom of a branch-banking system, as opposed to the wisdom of the unit-banking system, comes under review. I have so often expressed myself with reference to that question that I hesitate to take even five minutes of the time of the Senate to repeat those arguments, and I do not care to repeat them, but merely suggest them.

A branch-banking system inevitably tends to the creation of a money monopoly, controlled by one or two or three great aggregations. As has been stated, there are three central systems in the Dominion of Canada, and those systems, through their branches, conduct the banking business of that vast dominion and of that rapidly growing nation.

We had that system once in the United States. It was established in fraud and corruption. It was born of bribery and roguery. It is demonstrated now that the bill establishing that system was put through Congress by absolutely corrupt means. It proceeded to establish its power and to fortify itself until at last, when its charter was again called in question, its representative was so confident of his ability to control all branches of the Government that he told Andrew Jackson that the bank was powerful enough to make and unmake Presidents. Then it was that Jackson replied, "If you are that powerful, then, by the living God, you are too powerful to live"; and Jackson struck that bank down, and there has not been an hour since that day when the great concentrated capital of this country has not clamored for the reestablishment of a single bank.

When the present Federal reserve bank bill was before the Senate committee man after man appeared insisting that there should be but one central bank. Man after man appeared insisting that that one central bank should be controlled alone by the banks and that the Federal Government should not be represented in any substantial way in the control of the affairs of the system about to be set up. All of those gentlemen of whom I am speaking were in favor of branches. They wanted a concentrated control, and I believe this whole legislation is only calculated to drive in that direction as far as they can go. They want to take now the outlying trench, and I am opposed to any such business as that.

Very briefly, the difference between the two systems is this: If the control of the finances of this country, the credits of this country, were in the hands of one central organization, of one bank, then there would be put in the hands of those who controlled that bank—it might be only one or two men—the ability to expand or contract the currency, which is the lifeblood of the commerce of 115,000,000 people. By a mere expansion, a loosening of credit, or a tightening of credit they could produce strife and ruin or they could produce inflation giving an apparent prosperity. That is one objection.

There is another objection which I think is perhaps quite as weighty. Such a system as I have been describing has no interest except of the most remote character in the prosperity of any community or of any individual. It becomes simply a great financial machine concerned only in the question of profit and loss. But the present unit-banking system is of an entirely different character. The men who organize those banks are the local citizens of the community. They not only are interested in the banks, but they are interested directly in some of the enterprises of the community and indirectly they are interested in the general prosperity of the community. Hence the bank, often abused, often referred to as the Shylock of the community, is after all the financial heart of the community and is frequently the means by which a community's prosperity is furthered. When we set up a central banking system or do anything in the nature of the creation of a central banking system with branches scattered all over the country, we take away the local interest and the local desire and the local impulse toward the building up of some community or some State, and the furthering of the private enterprises that will be upheld because they are local enterprises by a bank which is also a local enterprise and makes common cause with the people of the local community.

There is a third great reason. If one of these local banks fails, while it may be a great blow to that community, it does not generally shock the entire country and disturb the entire financial and commercial structure. It fails, brings with it some disaster, but the disaster is limited. Whereas if we set up a great system that controls generally, if such a system ever does fail, then the bankruptcy and ruin is universal and the Nation's welfare becomes imperiled. To use an old expression, it would be putting all our eggs in one basket and if that basket is dropped all of the eggs are ruined at one time.

Mr. President, I am opposed to every step leading toward branch banking. More than that I am opposed, for the sake of getting banks into the Federal reserve system, to adopting a proposition which fundamentally amounts to this: We will incorporate into the Federal system all of the dangers and all of the speculative elements that are now permitted to State banks by the various States, and that we will be obliged to do if we sacrifice the validity, the stability of the great Federal system merely for the purpose of drawing in members. If we ever shake confidence in the Federal system, it will be found that we will lose more members because that confidence has been shaken than we would lose now because some gentlemen, desiring to go into speculative banking, withdraw for that purpose. I would like to see the law stand as it stands

now until a profound study of all the circumstances and conditions should be made and a genuine improvement in our banking condition suggested which is the right production of right consideration.

The VICE PRESIDENT. The bill is still as in Committee of the Whole and open to amendment.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment, which I offer.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 28, after line 21, strike out section 14 in the following words:

SEC. 14. That the fourth paragraph of section 13 of the Federal reserve act be amended to read as follows:

"No Federal reserve bank shall discount for any member bank notes, drafts, or bills of exchange of any one borrower in an amount greater than may be borrowed lawfully from any national banking association under the terms of section 5200 of the Revised Statutes, as amended: *Provided, however,* That nothing in this paragraph shall be construed to change the character or classes of paper now eligible for discount by Federal reserve banks."

Mr. SHIPSTEAD. Mr. President, whatever views Senators may have, and however they may differ on the so-called Pepper and Hull amendments, it seems to me that there is a fair ground for a difference of opinion on those things. But on this amendment of mine I can not see why there should be any difference of opinion. My amendment would leave the law as it is in regard to the limitations on a certain class of paper that can be rediscounted with the Federal reserve bank, the paper of one borrower limited under section 13 of the Federal reserve act to 10 per cent of the member bank's capital and surplus. The bill with section 14 in it would remove the limitation on that class of paper that can be rediscounted with a Federal reserve bank. The law as it now reads—that is, the present law—is as follows:

The aggregate of such notes, drafts, and bills bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank, shall at no time exceed 10 per cent of the unimpaired capital and surplus of said bank, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actual existing value.

Section 14 would change existing law, which, I think, should not be changed. It is said that the bill is to liberalize the national banking act and the Federal reserve banking act. There is a certain kind of liberalization, a liberality against which I must protest. I do not think that the proposed change in the law is in the direction of safe banking. When the Congress enacted the Federal reserve banking law they put a limitation on certain kinds of paper that could be rediscounted with the Federal reserve banks, and the controversy arose, or the question arose, as to what Congress intended. I have here the Federal Reserve Bulletin for March 1, 1917, on page 195 of which the solicitor for the Federal Reserve Board defined the class of paper that could be rediscounted at Federal reserve banks under section 13 by member banks, and he has also given his opinion as to the kind of paper that is limited by the Congress. He said:

As commercial or business paper is not included in that part of section 13 of the Federal reserve act which is quoted above, it is evident that Congress intended to permit Federal reserve banks to rediscount without limit "bills of exchange drawn against actually existing values" acquired by member banks under section 5200, but did not intend to exempt from the limitations of section 13 that more comprehensive class of negotiable paper referred to as "commercial or business paper actually owned by the person negotiating the same." This latter class may be said to include a note, draft, bill of exchange, or other evidence of debt given in a commercial or business transaction if the person negotiating it is the actual owner of the debt evidenced by the instrument in question.

Congress, however, authorized Federal reserve banks to discount without limit only that class of commercial or business paper which consists of bills of exchange drawn against actually existing values. This being true, it is necessary to determine whether the language "actually existing values" when applied to trade acceptances may be said to refer to the value of the commodity sold and for which the bill of exchange is drawn or can be said to refer to the financial responsibility of the purchaser or drawee.

The former view has been adopted by the office of the comptroller as the more reasonable interpretation. This seems clearly justifiable, (a) since it is unlikely that Congress would have used the language "existing values" if it intended to refer merely to the financial responsibility of an individual, firm, or corporation, and (b) because the drawee against whom the bill is drawn is not legally bound to pay it until the bill is accepted.

In other words, if such bills were accepted from the limitations of section 5200 because the bank has recourse against some existing values and is not dependent solely upon the responsibility of the drawer or indorser who discounts it, the bank must be in a position to enforce this claim legally against whatever constitutes the existing value against which the bill is drawn, and must, therefore, have a lien in some form, evidenced by a bill of lading, warehouse receipt, or some other documentary evidence securing the bank if it discounts a "bill of exchange" before it is accepted and desires to treat it as drawn against actually existing value.

I can not see how there can be any real objection to the amendment. The McFadden banking bill has been called a branch banking bill. People who are opposed to branch banking are for it and people who favor branch banks are for it. I hope both sides will be satisfied. I have been unable to find any banker who is in favor of this proposed change in the Federal reserve banking act.

I have submitted it to quite a few bankers of large experience in whom I have a great deal of confidence, and in the first place they have expressed great surprise that it should be in the McFadden banking bill, and in the second place they have informed me that it should not be there.

Mr. McLEAN. Mr. President, the Senator will understand that this amendment was inserted at the request of the Federal Reserve Board and that it simply permits the Federal reserve banks to rediscount the same percentage of short-time credits that the national banks are now permitted to discount for their own customers; that is all.

Mr. SHIPSTEAD. I understand that.

Mr. McLEAN. National banks now have the right to exceed that limit, and this is simply giving the Federal reserve banks the power to take care of such paper. The Senator will observe the proviso restricts the class of paper to that which is now eligible for rediscount in the Federal reserve banks. I do not see any danger in the amendment, and if the Senator will be satisfied to let it go to conference and take his chances with the conference committee, I do not know that there will be any objection to the amendment on the part of the committee.

Mr. SHIPSTEAD. Let me say that this section does not change the character or the class of paper, but it does change the amount of that class of paper.

Mr. EDGE. Does the Senator object to a liberalization in favor of the banks if it shall be done with due regard to safety? I thought that most of the criticism in the past had been that the rules of the Federal Reserve Board were too drastic and too narrow, as it were, regarding many kinds of loans. This, of course, is in the nature of a broadening of the power.

Mr. SHIPSTEAD. I think it goes entirely too far for safety—that is my opinion—for that class of paper.

Mr. EDGE. I have great confidence in the judgment of the Federal Reserve Board; I understand they unanimously asked for the amendment, but, as the chairman of the committee, the Senator from Connecticut [Mr. McLEAN] has stated, there is no objection to having the matter discussed in conference.

Mr. SHIPSTEAD. Very well. If the amendment shall be accepted, I shall not take up the time of the Senate in its discussion.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD].

The amendment was agreed to.

Mr. SHIPSTEAD. Mr. President, I have another amendment to offer, which I send to the desk.

The PRESIDING OFFICER. The Senator from Minnesota offers an amendment, which the clerk will state.

The CHIEF CLERK. On page 28, after the words "Sec. 14," in line 22, it is proposed to insert the following:

That the first paragraph of section 13 of the Federal reserve act be amended to read as follows:

"Any Federal reserve bank may receive from any of its member banks, and from the United States, deposits of current funds in lawful money, national-bank notes, Federal reserve notes, or checks, and drafts, payable upon presentation, and also, for collection, maturing notes and bills; or, solely for purposes of exchange or of collection, may receive from other Federal reserve banks deposits of current funds in lawful money, national-bank notes, or checks upon other Federal reserve banks, and checks and drafts payable upon presentation within its district, and maturing notes and bills payable within its district; or, solely for the purpose of exchange or of collection, may receive from any nonmember bank or trust company deposits of current funds in lawful money, national-bank notes, Federal reserve notes, checks, and drafts payable upon presentation, or maturing notes and bills: *Provided,* Such nonmember bank or trust company maintains with the Federal reserve bank of its district a balance sufficient

to offset the items in transit held for its account by the Federal reserve bank: *Provided further*, That nothing in this or any other section of this act shall be construed as prohibiting a member or nonmember bank from making reasonable charges, but in no case to exceed 10 cents per $100, or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise: *Provided*, That whenever a check or checks drawn upon a bank are forwarded or presented to a bank for payment by any Federal reserve bank, or by any agent or agents thereof, the paying bank or remitting bank may pay or remit for the same, at its option, either in money or in exchange drawn upon its approved reserve agent and at its option may charge for such exchange not exceeding 10 cents per $100, or fraction thereof, based on the total of checks presented at any one time."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Minnesota, which has just been stated.

Mr. SHIPSTEAD. Mr. President, let me say a word or so before the vote shall be taken on the amendment. If agreed to, the amendment would permit banks to make a small charge for the collection of checks, 10 cents for every $100 or fraction thereof. I do not care to take up the time of the Senate in the discussion of the amendment.

Mr. GLASS. Mr. President, we have had this fight in Congress over and over again for the last 10 years. To agree to this amendment would simply mean to disrupt the fiscal system of 25,000 banks in this country which are members of the par-collection system. It would mean to impose a toll of $200,000,000 upon commerce. I hope the Senate will vote down the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Minnesota.

The amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I was called from the Chamber when the vote was had, but I expected that there would be a record vote upon the so-called Pepper amendments as a substitute for the so-called Hull amendments. I therefore desire to reserve those amendments for a separate vote in the Senate. When the proper time comes I shall ask for the yeas and nays on the amendments. I do not care to prolong the discussion now, but I desire to have a record vote upon those amendments. I had expected that a record vote would be had as in Committee of the Whole, but it was not, and I simply desire to have that done in the Senate.

Mr. WILLIAMS. Mr. President, in the reservation made by the Senator from Wisconsin, does he mean that he wants a separate record vote on section 5155, beginning on page 13 of the bill, or on each subsection of that section?

Mr. LA FOLLETTE. I should not be inclined to ask for a separate vote on each subsection. All that I desire is to have a record vote on the so-called Pepper amendments, which were substituted for the Hull amendments.

Mr. WILLIAMS. They are embraced in subsection c, are they not?

Mr. LA FOLLETTE. No; the portion of the bill to which I refer includes section 5155 and also takes in a part of section 5190. I should be perfectly willing to have those two voted on as one, and I think, in view of the parliamentary situation, that would be the proper procedure.

Mr. McLEAN. That is all right.

The PRESIDING OFFICER. The bill is still before the Senate as in Committee of the Whole and open to amendment. If there be no further amendment to be offered, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole, with the exception of the amendments reserved by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendments, with the exception of those reserved, were concurred in.

The PRESIDING OFFICER. The question is on concurring in the amendments reserved by the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I ask for the yeas and nays upon concurring in the amendments to those two sections.

The PRESIDING OFFICER. Will the Senator again state the sections?

Mr. LA FOLLETTE. The committee amendment begins on page 12 of the print of the bill which I have.

Mr. EDGE. It includes section 7, in other words, does it not?

Mr. LA FOLLETTE. The section numbers have been changed, have they not? I think it includes section 7 and also section 8; but, as I have said, I am perfectly willing to vote on them together, because they are so interrelated that it is practically impossible to separate them. Therefore I ask unanimous consent that the yeas and nays shall be called upon the committee amendments to sections 7 and 8 of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. WILLIAMS. Mr. President, the objections of a number of the Members of the Senate do not run to subsections (a), (b), and (d) and other subsections of section 5155 as amended, but run rather to the effect of the Pepper amendment on the Hull amendment that is contained practically in subsection (c).

Mr. LA FOLLETTE. If the Senator from Missouri will permit the vote to be taken as I have suggested, then, if he so desires, he may offer an amendment in the Senate to subsection (c) of section 7. I desire simply to have a record vote on all of the changes of a major character.

The PRESIDING OFFICER. The yeas and nays have been demanded. Are they sufficiently seconded?

Mr. COUZENS. I ask that the amendment may be read.

The PRESIDING OFFICER. Will the Senator wait for a moment until the Chair ascertains whether the yeas and nays are ordered?

The yeas and nays were ordered.

Mr. TRAMMELL. Mr. President, my idea in revamping the banking laws is that we may enact a law that will not discriminate in favor of or against either National or State banks. From the expressions of opinion of members of the committee, and their statements as to their positions, I gather that it is also their intention that we shall have laws on the subject of branch banks that will apply in equal terms to both State and National banks.

In reading over the committee amendment on page 13, paragraph (d), I find that it is provided:

> (d) If at the date of the approval of this act there is situated in any State which prohibits branches a national-banking association which has one or more branches within the city in which the parent bank is located, any other national bank situated in such city may establish within the limits of such city branches not exceeding in number the aggregate number of branches maintained by each national-banking association.

The purport and meaning of that paragraph of the amendment, as I construe, are that if, at any time when the State law permitted branch banks, a national bank within a given State established a branch bank or more than one branch bank, and subsequent to the establishment of that branch bank the State law was amended so as to prohibit branch banking, the bank established while it was legal for it to be established may be continued, although the revised and amended State law prohibits branch banking. This paragraph of the amendment, however, does not only provide for a continuation of the branch bank which was established during the time when it was legal for it to be so established, but it provides, in addition, that an equal number of branch banks may hereafter be established within that city by national banks.

So far as adjusting the situation as between national banks is concerned, that provision, of course, would appear equitable as between national banks; but when, as a matter of fact, it is illegal for a branch of a State bank to be established, in its operation it necessarily works a discrimination against existing State banks within that city and in favor of national banks, because it permits the establishment of further national banks equal to the number that have already been established and were at the time of establishment authorized by the State law.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Virginia?

Mr. TRAMMELL. I yield.

Mr. GLASS. If the Senator from Florida will yield, he is addressing himself to a provision of the bill that was stricken out by the Senate.

Mr. TRAMMELL. I am very glad to hear that it was stricken out. My criticism evidently has been recognized as just.

Mr. SIMMONS. Before the Senator made it.

Mr. TRAMMELL. Others evidently recognized the same situation. I was out of the Chamber at the time it was stricken out. I happen to be like many other Senators here. I am not always in the Chamber, and I find that about 95 other Senators are sometimes out when an amendment is proposed or part of a bill is stricken out.

Mr. GLASS. I hope the Senator will pardon me for calling his attention to that fact.

Mr. TRAMMELL. I thank the Senator very much. I am very glad that has been done.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole and reserved on the request of the Senator from Wisconsin [Mr. LA FOLLETTE]. On that question the yeas and nays have already been ordered. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FERRIS (when his name was called). I am paired with the senior Senator from Pennsylvania [Mr. PEPPER]. I understand that if he were present he would vote as I shall vote. I therefore vote "yea."

Mr. NORRIS (when Mr. HOWELL'S name was called). I desire to announce that my colleague [Mr. HOWELL] is detained from the Senate on account of a death in his family.

Mr. WILLIS (when Mr. LENROOT'S name was called). I desire to announce that upon this question the senior Senator from Wisconsin [Mr. LENROOT] is paired with the senior Senator from Florida [Mr. FLETCHER]. If the Senator from Wisconsin were present, he would vote "nay," and if the Senator from Florida were present, he would vote "yea."

Mr. REED of Pennsylvania (when Mr. PEPPER'S name was called). My colleague [Mr. PEPPER] is necessarily absent today. If he were present, he would vote "yea."

The roll call was concluded.

Mr. ERNST. I have a general pair with the junior Senator from Nebraska [Mr. HOWELL], who would, I am informed, vote "nay." I transfer that pair to the Senator from Mississippi [Mr. HARRISON], who, if present, would vote "yea." I vote "yea."

Mr. CURTIS. I have a pair for the day with the senior Senator from Rhode Island [Mr. GERRY]. Not knowing how he would vote on this question, I withhold my vote.

Mr. SIMMONS (after having voted in the affirmative). I am paired with the senior Senator from Oklahoma [Mr. HARRELD]. I do not see him in the Chamber. I transfer that pair to the senior Senator from South Carolina [Mr. SMITH] and will let my vote stand.

Mr. TRAMMELL. I wish to announce the absence of my colleague [Mr. FLETCHER] on account of illness. He has a pair with the senior Senator from Wisconsin [Mr. LENROOT]. If my colleague were present, he would vote "yea."

Mr. JONES of Washington. I desire to announce that the Senator from Delaware [Mr. DU PONT] is paired on this question with the Senator from Illinois [Mr. MCKINLEY]. If present, the Senator from Delaware would vote "yea" and the Senator from Illinois would vote "nay."

Mr. ROBINSON of Arkansas. I wish to state that the senior Senator from South Carolina [Mr. SMITH] is necessarily detained from the Senate by illness.

Mr. JONES of Washington. I desire to announce that the junior Senator from Massachusetts [Mr. GILLETT] has a general pair with the senior Senator from Alabama [Mr. UNDERWOOD].

The result was announced—yeas 60, nays 17, as follows:

YEAS—60

Bayard	Ernst	McKellar	Sackett
Bingham	Fernald	McLean	Schall
Blease	Ferris	McMaster	Sheppard
Borah	Fess	Mayfield	Shortridge
Bratton	George	Means	Simmons
Broussard	Glass	Metcalf	Steck
Bruce	Goff	Moses	Stephens
Butler	Hale	Neely	Swanson
Caraway	Harris	Norbeck	Trammell
Copeland	Heflin	Oddie	Tyson
Couzens	Johnson	Overman	Wadsworth
Dale	Jones, N. Mex.	Phipps	Warren
Dill	Jones, Wash.	Ransdell	Watson
Edge	Keyes	Reed, Pa.	Weller
Edwards	King	Robinson, Ark.	Willis

NAYS—17

Cameron	Harreld	Nye	Wheeler
Cummins	Kendrick	Pine	Williams
Deneen	La Follette	Shipstead	
Frazier	McNary	Stanfield	
Gooding	Norris	Walsh	

NOT VOTING—19

Ashurst	Gerry	Lenroot	Robinson, Ind.
Capper	Gillett	McKinley	Smith
Curtis	Greene	Pepper	Smoot
du Pont	Harrison	Pittman	Underwood
Fletcher	Howell	Reed, Mo.	

So the amendments made as in Committee of the Whole and reserved were concurred in.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to offer an amendment.

The VICE PRESIDENT. The Senator has the right to offer the amendment at this time. The Secretary will state the amendment.

The CHIEF CLERK. It is proposed to substitute for subsection (c) of section 7 the following:

It shall be unlawful for any member bank to establish a branch in any State which does not, at the time of the approval of this act, permit banks created by or existing under the laws of such State to establish branches, or to establish in any State, after the approval of this act, a branch beyond the corporate limits of the municipality in which such bank is located.

The VICE PRESIDENT. It will be necessary to reconsider the vote by which the amendment made as in Committee of the Whole was concurred in before this amendment can be considered.

Mr. WILLIAMS. I understood that there would be no objection to that course.

Mr. McLEAN. Mr. President, this amendment involves in substance the same question that was just voted upon by the Senate; but I have no objection to a reconsideration.

The VICE PRESIDENT. Is there objection to a reconsideration? The Chair hears none. The question is on the amendment proposed by the Senator from Missouri.

Mr. WILLIAMS. Mr. President, I have no objection, and could have none, to the adoption of a large part of section 7. I think it is well in keeping with good banking and with the carrying out of the purposes of the Federal reserve act.

Section (a) of course, I think, should be adopted. Section (b) should be adopted.

We have about 1,300 or more State banks in the State of Missouri. In the State of Missouri we have a law against branch banking. Our State banks in Missouri are opposed to subsection (c) and are in favor of the Hull amendment to the McFadden bill on that subject.

I therefore ask for a vote on this amendment.

Mr. GLASS. Mr. President, the Senate should understand that the amendment proposed by the Senator from Missouri is substantially the Hull amendment which we have just voted down.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Missouri.

The amendment was rejected.

The VICE PRESIDENT. Without objection, the amendment made as in Committee of the Whole will be again concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "A bill to amend an act entitled 'An act to provide for the consolidation of national banking associations,' approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5139, section 5142, section 5146 as amended, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 4, section 9, section 13, section 22, and section 24 of the Federal reserve act, and section 8 of the act entitled 'An act to supplement existing laws against unlawful restraint and monopolies, and for other purposes,' approved October 15, 1914, as amended, and for other purposes."

Mr. McLEAN. I move that the Senate insist on its amendments, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees.

The motion was agreed to, and the Vice President appointed Mr. McLEAN, Mr. EDGE, and Mr. GLASS conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9037) validating certain applications for and entries of public lands, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate Nos. 28, 29, and 37 to the said bill and concurred therein; that the House had receded from its disagreement to the amendment of the Senate No. 27 and concurred therein with an amendment, in which it requested the concurrence of the Senate; and that the House further disagreed to the amendment of the Senate No. 20.

ELIZABETH RIVER BRIDGE, VIRGINIA

Mr. BINGHAM submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7093) granting the consent of Congress to O. Emmerson Smith,

F. F. Priest, W. P. Jordan, H. W. West, C. M. Jordan, and G. Hubard Massey to construct, maintain, and operate a bridge across the southern branch of the Elizabeth River at or near the cities of Norfolk and Portsmouth, in the county of Norfolk, in the State of Virginia, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: Strike out all of section 1 after the word "act" in line 1, page 2, as follows: "The construction of such bridge shall not be commenced, nor shall any alterations of such bridge be made, either before or after its completion, until the plans and specifications for such construction or alterations have been first submitted to and approved by the Secretary of War, the Secretary of the Navy, and the Secretary of Agriculture, acting jointly, and they, acting jointly, shall determine whether the location selected is feasible for the erection of such bridge without obstructions in navigation and without being detrimental to the development of interstate and foreign, as well as domestic, commerce moving to and from the particular location on the southern branch of the Elizabeth River to the inland waters of the State concerned, and whether public convenience will be served by such bridge as a connecting link between the Federal-aid highway systems of the State of Virginia. The said Secretaries, acting jointly, are empowered, and, if requested to do so, are directed, to hold public hearings for the full and complete determination of said precedent requirements."

WESLEY L. JONES,
HIRAM BINGHAM,
JAMES COUZENS,
MORRIS SHEPPARD,
Managers on the part of the Senate.

E. E. DENISON,
O. B. BURTNESS,
TILMAN PARKS,
Managers on the part of the House.

Mr. KING. Mr. President, does this bill involve the question of the right of the Federal Government to exact tolls?

Mr. BINGHAM. It does not. The bill as amended by the Senate gives to the Secretary of War, the Secretary of State, and the Secretary of Commerce the right to pass upon the plans for the bridge. The House committee felt that this was an unusual arrangement and was not necessary, and after conference the Senate conferees receded from their position, so that the bill is now in the form usually adopted. The question as to the plans for the bridge must be passed upon by the Secretary of War, as in all other cases. It merely makes the bill conform to the usual form of bridge measures.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

MISSISSIPPI AND MISSOURI RIVER BRIDGES

Mr. BINGHAM. I move to reconsider the votes by which the Senate yesterday ordered to a third reading and passed the bill (H. R. 10090) granting the consent of Congress to Alfred L. McCawley to construct, maintain, and operate bridges across the Mississippi and Missouri Rivers, at Alton, Ill., on the Mississippi, and at or below Halls Ferry or Musics Ferry on the Missouri River.

The motion to reconsider was agreed to.

Mr. BINGHAM. On page 2, line 1, I move to strike out the words "Halls Ferry" and insert "Bellefontaine."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill granting the consent of Congress to Alfred L. McCawley to construct, maintain, and operate bridges across the Mississippi and Missouri Rivers at Alton, Ill., on the Mississippi, and at or near Bellefontaine on the Missouri River."

CAPTURED WAR DEVICES AND TROPHIES

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2475) to amend an act entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," approved June 7, 1924, which were, on page 2, line 24, after the word "distribution," to insert "and to include the Canal Zone in such apportionment and distribution"; on page 3, to strike out all after "not," in line 11, down to and including "apportionment," in line 12, and insert "on or before July 1, 1927"; on page 3, line 14, after the word "redistributed," to insert "to the several States, Territories, and possessions of the United States, the District of Columbia, and the Canal Zone"; on page 3, line 16, after the word "rejected," to insert "on or before July 1, 1928"; on page 3, to strike out all after "determine"; in line 18, down to and including "to" in line 19; and on page 3, line 21, after the word "distribution," to insert "under this act, may be sold, or otherwise disposed of."

Mr. WADSWORTH. I move that the Senate concur in the House amendments.

Mr. ROBINSON of Arkansas. Mr. President, I can not hear what is going on, and I would like to hear what the Senator is saying.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. WADSWORTH. The amendments suggested by the House are perfecting in character. They do not change the bill, which has been returned from the House with amendments. The bill passed the Senate earlier in the session. It is a measure relating to the distribution of World War trophies now in the hands of the War Department.

The Senator from Arkansas will doubtless recollect that something like three years ago we set up by statute a method of distributing trophies equitably among the different States, the distribution within each State to be made by the governor of the State. It seems that certain States have not applied for their entire quota of trophies, and the surplus has therefore been left in the hands of the War Department. The department, however, did not feel that it has the right under the law to make another distribution of these so-called surplus trophies, and the bill is to permit the War Department to take those unapplied-for war trophies and give them to the States that want them. The House has made some comparatively unimportant amendments of a textual character. There is no change in the purpose of the bill.

Mr. ROBINSON of Arkansas. I suppose the States that have not obtained the trophies will have ample opportunity of doing so?

Mr. WADSWORTH. Oh, yes.

Mr. TRAMMELL. Mr. President, may I ask the chairman of the Committee on Military Affairs at what time the act was passed giving the States the privilege of obtaining these trophies?

Mr. WADSWORTH. June 7, 1924; two years ago.

Mr. TRAMMELL. In a great many States there are only biennial sessions of the legislature, and it is possible that the bill will deprive some of the States of the privilege of obtaining their quota, because the legislature has not yet acted. I do not know how it is in my own State. The legislature of a State may at a subsequent session, which would be a second session of the legislature of the State, pass an appropriation for the purpose of distributing the trophies within the State. That is the objection which occurs to me.

I do not know how it is in my own State. We have had only one session of the legislature in my State since the enactment of the law. That was in April and May, 1925. It is possible that my State has made some provision for obtaining its quota; I do not know. I would dislike very much to have it precluded, if this act would preclude it, merely because the first session of the legislature did not act upon the question of making an appropriation for the distribution of the trophies. I just raise that point.

Mr. WADSWORTH. The passage of this bill would not preclude any State from getting its full quota. It merely provides that in the event any State does not want its quota the surplus may go to other States.

Mr. TRAMMELL. I thank the Senator.

Mr. KENDRICK. Mr. President, may I ask the Senator from New York whether the bill would take effect at once or will further time be given the States in which to make application?

Mr. WADSWORTH. Further time will be extended in which to make application for this class of trophies. The door is not closed to the other States which still want to get their regular quota of trophies.

Mr. KENDRICK. But if some of the trophies were distributed among the States that have already received their quota, it would more or less limit those to be distributed to States that have not made application. Is not that true?

Mr. WADSWORTH. That could only happen in the event a State informed the War Department that it did not want the full quota.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York to concur in the amendments of the House.

The motion was agreed to.

UNITED STATES MILITARY ACADEMY

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 4547) to establish a department of economics, government, and history at the United States Military Academy, at West Point, N. Y., and to amend chapter 174 of the act of Congress of April 19, 1910, entitled "An act making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1911, and for other purposes," and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WADSWORTH. I move that the Senate insist on its amendment, accede to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. CAMERON, Mr. HALE, and Mr. STECK conferees on the part of the Senate.

LANDS AND FUNDS OF THE CROW TRIBE

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 8185) to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes," and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HARRELD. I move that the Senate insist on its amendment, agree to the conference asked by the House, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to, and the President pro tempore appointed Mr. HARRELD, Mr. CAMERON, and Mr. KENDRICK conferees on the part of the Senate.

DELAWARE RIVER BRIDGE NEAR BURLINGTON, N. J.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 4070) granting the consent of Congress for the construction of a bridge across the Delaware River at or near Burlington, N. J., which were, on page 1, line 4, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 2, line 4, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 2, line 16, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 4, line 18, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; on page 5, line 2, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their"; and on page 5, line 11, strike out "his" and insert in lieu thereof the following: "and Clifford A. Anderson, their."

Mr. EDGE. I move that the Senate concur in the amendments made by the House.

The motion was agreed to.

VALIDATION OF PAYMENTS FOR COMMUTATION OF QUARTERS, HEAT, AND LIGHT, ETC.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 2996) to validate payments for commutation of quarters, heat, and light, and of rental allowances on account of dependents, which were, on page 1, line 5, to strike out "to officers as" and insert "of"; and on page 2, to strike out lines 1 to 21, inclusive, and insert:

That where the payee responded to a needy family condition in an amount at least equal to the allowances obtained by him no collection shall be made on account of payment of the allowances to him prior to July 1, 1923; and amounts heretofore collected as refund of the allowances obtained in such cases prior to July 1, 1923, notwithstanding the protest of the payee, either by stoppage of pay, payment in cash, allotment of pay, or offset, shall be refunded; but this proviso shall not be applicable where the payee has admitted there was no dependency on him, or where he has refused to furnish evidence of the dependency, or where the payee has voluntarily refunded the payments in whole or in part, or has submitted no claim for the allowances in the nature of a protest against offset of his pay as refund of the payments.

Mr. WADSWORTH. I move that the Senate concur in the House amendments.

The motion was agreed to.

PETITIONS AND MEMORIALS

Mr. SHORTRIDGE presented resolutions adopted by the Chamber of Commerce of Vallejo, Calif., protesting against the passage of Senate bill 3335, to regulate, control, and safeguard the expenditure of Federal funds on construction work, which were referred to the Committee on Commerce.

He also presented resolutions adopted by the El Centro (Calif.) Chamber of Commerce, protesting against the passage of the so-called Smith bill, being the bill (S. 2808) to amend section 24 of the interstate commerce act, as amended, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the San Francisco (Calif.) Chamber of Commerce, protesting against the passage of legislation providing for the compulsory consolidation of railroads and favoring voluntary consolidations subject to the approval of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by the San Diego County public health committee, of San Diego; the Alameda district of the California Federation of Women's Clubs; and the Los Angeles district board of the California Federation of Women's Clubs, all in the State of California, favoring the passage of the bill (H. R. 9497) providing funds for the reimbursement of the Indians in California for lands taken from them under the 18 treaties of 1851 and 1852, and without treaty and under subsequent court decisions for which no compensation has heretofore been made, which were referred to the Committee on Indian Affairs.

He also presented a resolution adopted by Barrett Camp, No. 29, United Spanish War Veterans, of Alameda, Calif., protesting against the passage of House bill 8538, amending the national defense act, by prohibiting any officer of the United States Army from teaching a military course in any school other than a purely military school, if such military course is a prerequisite for graduation, which was referred to the Committee on Military Affairs.

He also presented resolutions adopted by Riverside Post, No. 118, Grand Army of the Republic, and auxiliary organizations connected therewith, including Riverside Camp, No. 23, Sons of Union Veterans of the Civil War, and the auxiliary thereto; the Woman's Relief Corps; and Belle S. Herr Circle, No. 68, Ladies of the Grand Army of the Republic, all of Riverside; Sedgwick Post, No. 17, Department of California and Nevada, Grand Army of the Republic; Sedgwick Woman's Relief Corps, No. 17, Department of California and Nevada; Shiloh Circle, No. 21, Department of California and Nevada; Sarah A. Rounds Tent, No. 10, Daughters of Veterans, Department of California and Nevada; and Santa Ana Camp, No. 12, Sons of Veterans, Department of California and Nevada, in the State of California, praying for the passage of legislation providing increased pensions to veterans of the Civil War and their dependents, which were referred to the Committee on Pensions.

REPORTS OF COMMITTEES

Mr. GILLETT, from the Committee on the Judiciary, to which was referred the bill (S. 2587) to amend the trading with the enemy act, reported it with an amendment and submitted a report (No. 818) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 1919) for the relief of the Portland Iron Works (Rept. No. 819);

A bill (H. R. 815) for the relief of O. H. Lipps (Rept. No. 820); and

A bill (H. R. 6003) for the relief of Charles B. Beck (Rept. No. 822).

Mr. STANFIELD, from the Committee on Claims, to which was referred the bill (H. R. 2333) for the relief of Katherine Rorison, reported it without amendment and submitted a report (No. 821) thereon.

He also, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4209) to provide for the establishment of the Mammoth Cave National Park in the State of Kentucky, and for other purposes, reported it without amendment and submitted a report (No. 823) thereon.

He also, from the same committee, to which was referred the bill (S. 4073) to provide for the establishment of the Shenandoah National Park, in the State of Virginia, and the Great Smoky Mountain National Park, in the States of North Carolina and Tennessee, and for other purposes, reported it with an amendment and submitted a report (No. 824) thereon.

He also, from the Committee on Claims, to which was referred the joint resolution (S. J. Res. 92) consenting that certain States may sue the United States, and providing for trial

on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the years 1866, 1867, and 1868, and vesting the right in each State to sue in its own name, reported it with amendments and submitted a report (No. 829) thereon.

Mr. NORBECK, from the Committee on Pensions, to which was referred the bill (H. R. 9966) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, reported it with amendments and submitted a report (No. 825) thereon.

Mr. KENDRICK, from the Committee on Indian Affairs, to which was referred the bill (S. 3884) authorizing expenditure of tribal funds of Indians of the Tongue River Indian Reservation, Mont., for expenses of delegates to Washington, reported it without amendment and submitted a report (No. 826) thereon.

Mr. MEANS, from the Committee on Claims, to which was referred the bill (H. R. 9938) for the relief of Frank A. Bartling, reported it without amendment and submitted a report (No. 827) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8486) for the relief of Gagnon & Co. (Inc.), reported it without amendment and submitted a report (No. 828) thereon.

Mr. JOHNSON, from the Committee on Irrigation and Reclamation, to which was referred the bill (H. R. 6729) to amend section 18 of the irrigation act of March 3, 1891, as amended by the act of March 4, 1917, reported it without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4243) for the relief of Ella O'Neill Ballantyne; to the Committee on Finance.

By Mr. DILL:

A bill (S. 4244) granting a pension to Sarah E. Klock; to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 4245) granting an increase of pension to Minerva C. McMillan; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 4246) to enforce the liability of common carriers for loss of or damage to grain shipped in bulk; to the Committee on Interstate Commerce.

By Mr. BUTLER:

A bill (S. 4247) to amend and reenact sections 3, 20, 31, 33, and 38 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes," as amended by an act approved June 7, 1924, and for the insertion of two new sections in said act between sections 5 and 6 and sections 41 and 42 of said act, to be designated as "5a" and "41a" of said act; to the Committee on Territories and Insular Possessions.

By Mr. PHIPPS:

A bill (S. 4248) to amend the tariff act of 1922; to the Committee on Finance.

By Mr. HARRIS:

A bill (S. 4249) to authorize the President to appoint Fred R. Crandall a first lieutenant of Infantry in the Regular Army of the United States; to the Committee on Military Affairs.

By Mr. NORRIS:

A bill (S. 4250) for the relief of Mrs. Ernest W. Hedlun; to the Committee on Claims.

JOHN T. PEET

On motion of Mr. CURTIS, it was

Ordered, That the papers filed with the bill (S. 400, 69th Cong. 1st sess.) for the relief of John T. Peet, be withdrawn from the files of the Senate, no adverse report having been made thereon.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by title and referred as indicated below:

H. R. 3796. An act to establish a national military park at the battle field of Moores Creek, N. C.; to the Committee on the Library.

H. R. 10312. An act to authorize the disposition of lands no longer needed for naval purposes;

H. R. 10503. An act to authorize certain alterations to the six coal-burning battleships for the purpose of providing better launching and handling arrangements for airplanes; and

H. R. 11355. An act to amend that part of the act approved August 29, 1916, relative to retirement of captains, commanders, and lieutenant commanders of the line of the Navy; to the Committee on Naval Affairs.

H. R. 9914. An act providing for the inspection of the Bull Run battle fields from and including Centerville and to and including Thoroughfare Gap and Warrenton, in the State of Virginia;

H. R. 10052. An act to authorize the sale of the Mesa Target Range, Arizona;

H. R. 10203. An act authorizing the Secretary of War to convey certain portions of the military reservation at Monterey, Calif., to the city of Monterey, Calif., for street purposes;

H. R. 10385. An act to amend section 55 of the national defense act, June 3, 1916, as amended, relating to the enlisted Reserve Corps;

H. R. 10984. An act to amend the national defense act of June 3, 1916, as amended, so as to permit the Secretary of War to detail enlisted men to educational institutions;

H. R. 11613. An act to provide for the study and investigation of battle fields in the United States for commemorative purposes;

H. R. 11762. An act to provide for the sale of uniforms to individuals separated from the military or naval forces of the United States;

H. R. 11927. An act to authorize the Secretary of War to sell a portion of the Fort Ringgold Military Reservation, Tex., to Rio Grande City Railway Co.;

H. R. 12043. An act to provide for the inspection of the battle field of Stones River, Tenn.;

H. R. 12103. An act to provide for the inspection of the battle field of Fort Donelson, Tenn.; and

H. J. Res. 226. Joint resolution authorizing the Secretary of War to lend 350 cots, 350 bed sacks, and 700 blankets for the use of the National Custer Memorial Association, at Crow Agency, Mont., at the semicentennial of the Battle of the Little Big Horn, June 24, 25, and 26, 1926; to the Committee on Military Affairs.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 10860) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and to increase the efficiency of the Lighthouse Service, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

REGULATION OF COMMERCIAL AVIATION

Mr. BINGHAM. I move that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on Senate bill 41, to encourage and regulate the use of aircraft in commerce, and for other purposes.

The motion was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate the report of the committee of conference, which will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That as used in this act, the term 'air commerce' means transportation, in whole or in part, by aircraft of persons or property for hire, navigation of aircraft in furtherance of a business, or navigation of aircraft from one place to another for operation in the conduct of a business. As used in this act, the term 'interstate or foreign air commerce' means air commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through the airspace over any place outside thereof; or wholly within the airspace over any Territory or possession or the District of Columbia.

"SEC. 2. Promotion of air commerce.—It shall be the duty of the Secretary of Commerce to foster air commerce in accordance with the provisions of this act, and for such purpose—

"(a) To encourage the establishment of airports, civil airways, and other air navigation facilities.

"(b) To make recommendations to the Secretary of Agriculture as to necessary meteorological service.

"(c) To study the possibilities for the development of air commerce and the aeronautical industry and trade in the United States and to collect and disseminate information relative thereto and also as regards the existing state of the art.

"(d) To advise with the Bureau of Standards and other agencies in the executive branch of the Government in carrying forward such research and development work as tends to create improved air navigation facilities. The Secretary of Commerce is authorized to transfer funds available for carrying out the purposes of this subdivision to any such agency for carrying forward such research and development work in cooperation with the Department of Commerce.

"(e) To investigate, record, and make public the causes of accidents in civil air navigation in the United States.

"(f) To exchange with foreign governments through existing governmental channels information pertaining to civil air navigation.

"SEC. 3. Regulatory powers.—The Secretary of Commerce shall by regulation—

"(a) Provide for the granting of registration to aircraft eligible for registration, if the owner requests such registration. No aircraft shall be eligible for registration (1) unless it is a civil aircraft owned by a citizen of the United States and not registered under the laws of any foreign country, or (2) unless it is a public aircraft of the Federal Government, or of a State, Territory, or possession, or of a political subdivision thereof. All aircraft registered under this subdivision shall be known as aircraft of the United States.

"(b) Provide for the rating of aircraft of the United States as to their airworthiness. As a basis for rating, the Secretary of Commerce (1) may require, before the granting of registration for any aircraft first applying therefor more than eight months after the passage of this act, full particulars of the design and of the calculations upon which the design is based and of the materials and methods used in the construction; and (2) may in his discretion accept in whole or in part the reports of properly qualified persons employed by the manufacturers or owners of aircraft; and (3) may require the periodic examination of aircraft in service and reports upon such examination by officers or employees of the Department of Commerce or by properly qualified private persons. The Secretary may accept any such examination and report by such qualified persons in lieu of examination by the employees of the Department of Commerce. The qualifications of any person for the purposes of this section shall be demonstrated in a manner specified by and satisfactory to the Secretary. The Secretary may, from time to time, rerate aircraft as to their airworthiness upon the basis of information obtained under this subdivision.

"(c) Provide for the periodic examination and rating of airmen serving in connection with aircraft of the United States as to their qualifications for such service.

"(d) Provide for the examination and rating of air navigation facilities available for the use of aircraft of the United States as to their suitability for such use.

"(e) Establish air traffic rules for the navigation, protection, and identification of aircraft, including rules as to safe altitudes of flight and rules for the prevention of collisions between vessels and aircraft.

"(f) Provide for the issuance and expiration, and for the suspension and revocation, of registration, aircraft, and airman certificates, and such other certificates as the Secretary of Commerce deems necessary in administering the functions vested in him under this act. Within 20 days after notice that application for any certificate is denied or that a certificate is suspended or revoked, the applicant or holder may file a written request with the Secretary of Commerce for a public hearing thereon. The Secretary upon receipt of the request shall forthwith (1) arrange for a public hearing to be held within 20 days after such receipt in such place as the Secretary deems most practicable and convenient in view of the place of residence of the applicant or holder and the place where evidence bearing on the cause for the denial, suspension, or revocation is most readily obtainable, and (2) give the applicant or holder at least 10 days' notice of the hearing, unless an earlier hearing is consented to by him. Notice under this subdivision may be served personally upon the applicant or holder or sent him by registered mail. The Secretary, or any officer or employee of the Department of Commerce designated by him in writing for the purpose, may hold any such hearing and for the purposes thereof administer oaths, examine witnesses, and issue subpœnas for the attendance and testimony of witnesses, or the production of books, papers, documents, and other evidence, or the taking of depositions before any designated individual competent to administer oaths. Witnesses summoned or whose depositions are taken shall receive the same fees and mileage as witnesses in courts of the United States. All evidence taken at the hearing shall be recorded and forwarded to the Secretary for decision in the matter to be rendered not later than 10 days after completion of the hearing. The decision of the Secretary, if in accordance with law, shall be final. The denial, suspension, or revocation shall be invalid unless opportunity for hearing is afforded, notice served or sent, and decision rendered within the respective times prescribed by this subdivision.

"SEC. 4. Airspace reservations.—The President is authorized to provide by Executive order for the setting apart and the protection of airspace reservations in the United States for national defense or other governmental purposes and, in addition, in the District of Columbia for public safety purposes. The several States may set apart and provide for the protection of necessary airspace reservations in addition to and not in conflict either with airspace reservations established by the President under this section or with any civil or military airway designated under the provisions of this act.

"SEC. 5. Aids to air navigation.—(a) Whenever at any time the Postmaster General and the Secretary of Commerce by joint order so direct, the airways under the jurisdiction and control of the Postmaster General, together with all emergency landing fields and other air-navigation facilities (except airports and terminal landing fields) used in connection therewith, shall be transferred to the jurisdiction and control of the Secretary of Commerce, and the established airports and terminal landing fields may be transferred to the jurisdiction and control of the municipalities concerned under arrangements subject to approval by the President. All unexpended balances of appropriations which are available for and which have been allotted for expenditure upon such airways, emergency landing fields, and other air navigation facilities, except airports and terminal landing fields, shall thereupon be available for expenditure under the direction of the Secretary of Commerce, in lieu of the Postmaster General, for the purposes for which such appropriations were made. No part of such unexpended balances of appropriations shall be used for the purchase or establishment of airports or terminal landing fields.

"(b) The Secretary of Commerce is authorized to designate and establish civil airways and, within the limits of available appropriations hereafter made by the Congress, (1) to establish, operate, and maintain along such airways all necessary air navigation facilities except airports; and (2) to chart such airways and arrange for publication of maps of such airways, utilizing the facilities and assistance of existing agencies of the Government so far as practicable. The Secretary of Commerce shall grant no exclusive right for the use of any civil airway, airport, emergency landing field, or other air navigation facility under his jurisdiction.

"(c) Air navigation facilities owned or operated by the United States may be made available for public use under such conditions and to such extent as the head of the department or other independent establishment having jurisdiction thereof deems advisable and may by regulation prescribe.

"(d) The head of any Government department or other independent establishment having jurisdiction over any airport or emergency landing field owned or operated by the United States may provide for the sale to any aircraft fuel, oil, equipment, and supplies, and the furnishing to it of mechanical service, temporary shelter, and other assistance under such regulations as the head of the department or establishment may prescribe, but only if such action is by reason of an emergency necessary to the continuance of such aircraft on its course to the nearest airport operated by private enterprise. All such articles shall be sold and such assistance furnished at the fair market value prevailing locally as ascertained by the head of such department or establishment. All amounts received under this subdivision shall be covered into the Treasury; but that part of such amounts which, in the judgment of the head of the department or establishment, is equivalent to the cost of the fuel, oil, equipment, supplies, services, shelter, or other assistance so sold or furnished shall be credited to the appropriation from which such cost was paid, and the balance, if any, shall be credited to miscellaneous receipts.

"(e) Section 3 of the act entitled 'An act to increase the efficiency and reduce the expense of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture,' approved October 1, 1890, is amended by adding at the end thereof a new paragraph to read as follows:

"'Within the limits of the appropriations which may be made for such purpose, it shall be the duty of the Chief of the Weather Bureau, under the direction of the Secretary of Agriculture, (a) to furnish such weather reports, forecasts, warn-

ings, and advices as may be required to promote the safety and efficiency of air navigation in the United States and above the high seas, particularly upon civil airways designated by the Secretary of Commerce under authority of law as routes suitable for air commerce, and (b) for such purposes to observe, measure, and investigate atmospheric phenomena, and establish meteorological offices and stations.'

"(f) Nothing in this act shall be construed to prevent the Secretary of War from designating routes in the navigable air space as military airways and prescribing rules and regulations for the use thereof on routes which do not conform to civil airways established hereunder, or to prevent the Secretary of Commerce from designating any military airway as a civil airway, and when so designated it shall thereupon become a civil airway within the meaning of this act, and the Secretary of War is hereby authorized to continue the operation of air navigation facilities for any military airway so designated as a civil airway until such time as the Secretary of Commerce can provide for the operation of such facilities.

"SEC. 6. Foreign aircraft.—(a) The Congress hereby declares that the Government of the United States has, to the exclusion of all foreign nations, complete sovereignty of the air space over the lands and waters of the United States, including the Canal Zone. Aircraft a part of the armed forces of any foreign nation shall not be navigated in the United States, including the Canal Zone, except in accordance with an authorization granted by the Secretary of State.

"(b) Foreign aircraft not a part of the armed forces of the foreign nation shall be navigated in the United States only if authorized as hereinafter in this section provided; and if so authorized, such aircraft and airmen serving in connection therewith, shall be subject to the requirements of section 3, unless exempt under subdivision (c) of this section.

"(c) If a foreign nation grants a similar privilege in respect of aircraft of the United States, and/or airmen serving in connection therewith, the Secretary of Commerce may authorize aircraft registered under the law of the foreign nation and not a part of the armed forces thereof to be navigated in the United States, and may by regulation exempt such aircraft, and/or airmen serving in connection therewith, from the requirements of section 3, other than the air traffic rules; but no foreign aircraft shall engage in interstate or intrastate air commerce.

"SEC. 7. Application of existing laws relating to foreign commerce.—(a) The navigation and shipping laws of the United States, including any definition of 'vessel' or 'vehicle' found therein and including the rules for the prevention of collisions, shall not be construed to apply to seaplanes or other aircraft or to the navigation of vessels in relation to seaplanes or other aircraft.

"(b) The Secretary of the Treasury is authorized to (1) designate places in the United States as ports of entry for civil aircraft arriving in the United States from any place outside thereof and for merchandise carried on such aircraft, (2) detail to ports of entry for civil aircraft such officers and employees of the customs service as he may deem necessary, and to confer or impose upon any officer or employee of the United States stationed at any such port of entry (with the consent of the head of the Government department or other independent establishment under whose jurisdiction the officer or employee is serving) any of the powers, privileges, or duties conferred or imposed upon officers or employees of the customs service, and (3) by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the customs and public health laws to such extent and upon such conditions as he deems necessary.

"(c) The Secretary of Commerce is authorized by regulation to provide for the application to civil aircraft of the laws and regulations relating to the entry and clearance of vessels to such extent and upon such conditions as he deems necessary.

"(d) The Secretary of Labor is authorized to (1) designate any of the ports of entry for civil aircraft as ports of entry for aliens arriving by aircraft, (2) detail to such ports of entry such officers and employees of the Immigration Service as he may deem necessary, and to confer or impose upon any employee of the United States stationed at such port of entry (with the consent of the head of the Government department or other independent establishment under whose jurisdiction the officer or employee is serving) any of the powers, privileges, or duties conferred or imposed upon officers or employees of the Immigration Service, and (3) by regulation to provide for the application to civil air navigation of the laws and regulations relating to the administration of the immigration laws to such extent and upon such conditions as he deems necessary.

"SEC. 8. Additional Assistant Secretary of Commerce.—To aid the Secretary of Commerce in fostering air commerce and to perform such functions vested in the Secretary under this act as the Secretary may designate, there shall be an additional Assistant Secretary of Commerce, who shall be appointed by the President, by and with the advice and consent of the Senate and whose compensation shall be fixed in accordance with the classification act of 1923. Except as otherwise specifically provided, the Secretary of Commerce shall administer the provisions of this act and for such purpose is authorized (1) to make such regulations as are necessary to execute the functions vested in him by this act; (2) to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere and for law books, books of reference, and periodicals) as may be necessary for such administration and as may be provided for by the Congress from time to time; (3) to publish from time to time a bulletin setting forth such matters relating to the functions vested in him by this act as he deems advisable, including air navigation treaties, laws, and regulations and decisions thereunder; and (4) to operate, and for this purpose to acquire within the limits of the available appropriations hereafter made by the Congress, such aircraft and air navigation facilities, except airports, as are necessary for executing the functions vested in the Secretary of Commerce by this act.

"SEC. 9. Definitions.—As used in this act—

"(a) The term 'citizen of the United States' means (1) an individual who is a citizen of the United States or its possessions, or (2) a partnership of which each member is an individual who is a citizen of the United States or its possessions, or (3) a corporation or association created or organized in the United States or under the law of the United States or of any State, Territory, or possession thereof, of which the president and two-thirds or more of the board of directors or other managing officers thereof, as the case may be, are individuals who are citizens of the United States or its possessions and in which at least 51 per cent of the voting interest is controlled by persons who are citizens of the United States or its possessions.

"(b) The term 'United States,' when used in a geogrpahical sense, means the territory comprising the several States, Territories, possessions, and the District of Columbia (including the territorial waters thereof), and the overlying air space; but shall not include the Canal Zone.

"(c) The term 'aircraft' means any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, except a parachute or other contrivance designed for such navigation but used primarily as safety equipment.

"(d) The term 'public aircraft' means an aircraft used exclusively in the governmental service.

"(e) The term 'civil aircraft' means any aircraft other than a public aircraft.

"(f) The term 'aircraft of the United States' means any aircraft registered under this act.

"(g) The term 'air port' means any locality, either of water or land, which is adapted for the landing and taking off of aircraft and which provides facilities for shelter, supply, and repair of aircraft; or a place used regularly for receiving or discharging passengers or cargo by air.

"(h) The term 'emergency landing field' means any locality, either of water or land, which is adapted for the landing and taking off of aircraft, is located along an airway, and is intermediate to air ports connected by the airway, but which is not equipped with facilities for shelter, supply, and repair of aircraft and is not used regularly for the receipt or discharge of passengers or cargo by air.

"(i) The term 'air navigation facility' includes any air port, emergency landing field, light or other signal structure, radio directional finding facility, radio or other electrical communication facility, and any other structure or facility, used as an aid to air navigation.

"(j) The term 'civil airway' means a route in the navigable air space designated by the Secretary of Commerce as a route suitable for interstate or foreign air commerce.

"(k) The term 'airman' means any individual (including the person in command and any pilot, mechanic, or member of the crew) who engages in the navigation of aircraft while under way, and any individual who is in charge of the inspection, overhauling, or repairing of aircraft.

"SEC. 10. Navigable air space.—As used in this act, the term 'navigable air space' means air space above the minimum safe altitudes of flight prescribed by the Secretary of Commerce under section 3, and such navigable air space shall be subject

to a public right of freedom of interstate and foreign air navigation in conformity with the requirements of this act.

"SEC. 11. Penalties.—(a) It shall be unlawful, except to the extent authorized or exempt under section 6—

"(1) To navigate any aircraft within any air space reservation otherwise than in conformity with the Executive orders regulating such reservation.

"(2) To navigate any aircraft (other than a foreign aircraft) in interstate or foreign air commerce unless such aircraft is registered as an aircraft of the United States or to navigate any foreign aircraft in the United States.

"(3) To navigate any aircraft registered as an aircraft of the United States, or any foreign aircraft, without an aircraft certificate or in violation of the terms of any such certificate.

"(4) To serve as an airman in connection with any aircraft registered as an aircraft of the United States, or any foreign aircraft, without an airman certificate or in violation of the terms of any such certificate.

"(5) To navigate any aircraft otherwise than in conformity with the air traffic rules.

"(b) Any person who (1) violates any provision of subdivision (a) of this section or any entry or clearance regulation made under section 7, or (2) any customs or public health regulation made under such section, or (3) any immigration regulation made under such section, shall be subject to a civil penalty of $500 which may be remitted or mitigated by the Secretary of Commerce, the Secretary of the Treasury, or the Secretary of Labor, respectively, in accordance with such proceedings as the Secretary shall by regulation prescribe. In case the violation is by the owner or person in command of the aircraft, the penalty shall be a lien against the aircraft. Any civil penalty imposed under this section may be collected by proceedings in personam against the person subject to the penalty and/or in case the penalty is a lien by proceedings in rem against the aircraft. Such proceedings shall conform as nearly as may be to civil suits in admiralty; except that either party may demand trial by jury of any issue of fact if the value in controversy exceeds $20, and facts so tried shall not be reexamined other than in accordance with the rules of the common law. The fact that in a libel in rem the seizure is made at a place not upon the high seas or navigable waters of the United States, shall not be held in any way to limit the requirement of the conformity of the proceedings to civil suits in rem in admiralty. The Supreme Court of the United States, and under its direction other courts of the United States, are authorized to prescribe rules regulating such proceedings in any particular not provided by law. The determination under this section as to the remission or mitigation of a civil penalty imposed under this section shall be final. In case libel proceedings are pending at any time during the pendency of remission or mitigation proceedings, the Secretary shall give notice thereof to the United States attorney prosecuting the libel proceedings.

"(c) Any aircraft subject to a lien for any civil penalty imposed under this section may be summarily seized by and placed in the custody of such persons as the appropriate Secretary may by regulation prescribe and a report of the case thereupon transmitted to the United States attorney for the judicial district in which the seizure is made. The United States attorney shall promptly institute proceedings for the enforcement of the lien or notify the Secretary of his failure so to act. The aircraft shall be released from such custody upon (1) payment of the penalty or so much thereof as is not remitted or mitigated, (2) seizure in pursuance of process of any court in proceedings in rem for enforcement of the lien, or notification by the United States attorney of failure to institute such proceedings, or (3) deposit of a bond in such amount and with such sureties as the Secretary may prescribe, conditioned upon the payment of the penalty or so much thereof as is not remitted or mitigated.

"(d) Any person who fraudulently forges, counterfeits, alters, or falsely makes any certificate authorized to be issued under this act, or knowingly uses or attempts to use any such fraudulent certificate shall be guilty of an offense punishable by a fine not exceeding $1,000 or by imprisonment not exceeding three years, or by both such fine and imprisonment.

"(e) Any person (1) who, with intent to interfere with air navigation in the navigable airspace or waters of the United States, exhibits within the United States any false light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal required by regulation under this act, or for a true light or signal in connection with an airport or other air navigation facility, or (2) who, after due warning from the Secretary of Commerce, continues to maintain any false light or signal, or (3) who knowingly removes, extinguishes, or interferes with the operation of any such true light or signal, or (4) who without lawful authority knowingly exhibits any such true light or signal, shall be guilty of an offense punishable by a fine not exceeding $5,000 or by imprisonment not exceeding five years, or by both such fine and imprisonment.

"(f) All penalties paid under this act, shall be covered into the Treasury as miscellaneous receipts.

"SEC. 12. Separability.—If any provision of this act is declared unconstitutional or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

"SEC. 13. Time of taking effect.—This act shall take effect upon its passage; except that no penalty shall be enforced for any violation thereof occurring within 90 days thereafter.

"SEC. 14. Short title.—This act may be cited as the 'air commerce act of 1926.'"

And the House agree to the same.

WESLEY L. JONES,
BERT M. FERNALD,
HIRAM BINGHAM,
DUNCAN U. FLETCHER,
JOSEPH E. RANSDELL,
Managers on the part of the Senate.

JAMES S. PARKER,
JOHN G. COOPER,
SCHUYLER MERRITT,
SAM RAYBURN,
CLARENCE F. LEA,
Managers on the part of the House.

Mr. KING. Mr. President, will the Senator from Connecticut give us an explanation of the contents of the report?

Mr. BINGHAM. The report has already been printed in the RECORD twice. I shall be very glad to explain what the conference committee finally agreed upon.

In the first place the two principal differences between the bill as it passed the Senate and the bill as it passed the House were matters relating to State rights and State and Government ownership. The bill as it passed the House gave to the Secretary of Commerce the right to examine pilots and airplanes engaged in all sorts of flying, in interstate commerce, foreign commerce, intrastate commerce, and even in sport flying and flying for experimental purposes. The bill as it passed the Senate gave the Secretary of Commerce merely the right to examine pilots and planes and to restrict flying in interstate and foreign commerce.

The conferees have agreed upon a compromise. The House recedes from its position regarding the regulation of intrastate commerce and the regulation of sport flying and experimental flying.

The Senate agrees that all persons taking to the air must abide by the rules of the road in the air. It seemed reasonable to us that when the rules of the air should be set forth by the Secretary of Commerce all persons flying must abide by them, otherwise we should have constant interference with those flying in interstate commerce and more likelihood of accidents. Anyone may fly at any time within the boundaries of a State and take his life in his hands and fly anything which the State permits him to fly if he has a State license; but he must observe the rules of the air and he may not engage in interstate or foreign commerce without the permission of the Secretary of Commerce, as provided in the Senate bill.

For the promotion of air commerce there was very little difference between the two Houses except in this respect. The Senate did not provide for the ownership by the Federal Government for the use of private persons of commercial airports. The House in its bill provided for Government-owned airports. The conferees after a long discussion agreed that it was an unwise thing for the Federal Government to enter upon the ownership of airports, and that provision was stricken out. The Senate views in the matter were concurred in by the conferees. In future the aids to air navigation which may be provided by the Secretary of Commerce, whenever appropriations are available, are those air-navigation facilities such as radio facilities, lighthouses, airways, charts, and emergency landing fields.

The definition of an "emergency landing field" as prepared by the House was very unsatisfactory to the Senate, and the definition of "airport" was unsatisfactory. A new definition will be found in the bill and, as agreed to, meets the Senate's views. In other words, an airport as defined is what might correspond to a seaport, whereas an emergency landing field is what might correspond to a storm harbor where there is a Government breakwater and nothing else. In other words, the Federal Government under this bill may lease and regulate an

emergency landing field as it may operate a storm harbor with a breakwater, but the minute there is set up either a hangar for shelter purposes or a gas and oil station, or if it is used by any town in the vicinity for the regular taking on and landing of passengers and freight, it then ceases to become an emergency landing field and becomes an airport, and the Federal Government will keep its hands off of it in the future.

The object of the bill as now presented is to encourage municipalities to own their own airports and to permit the Secretary of Commerce to arrange for proper navigable airways.

So far as air-space reservations are concerned, the President is authorized to provide by Executive order for the setting apart and protection of air-space reservations for military, post office, or other purposes. The States may set apart and provide air-space reservations. The bill gives the States the right to say that no one shall fly low over a city or over a ball field or over a stadium within that State, and no one flying in interstate commerce may enter into that air-space reservation which the States set apart for themselves.

Mr. KING. Mr. President, may I make an inquiry of the Senator?

Mr. BINGHAM. Certainly.

Mr. KING. There is no interference with municipal or State regulation?

Mr. BINGHAM. None whatever.

Mr. KING. Even though those regulations might affect, directly or indirectly, interstate commerce flying or flying between States? For instance, the Senator just indicated municipal regulations with respect to the height at which aircraft must fly above the ground. Would any municipal regulation prescribed affect aircraft that flies between States, or would they be exempt from the operation of municipal regulations?

Mr. BINGHAM. A municipal regulation would not affect it, but the bill does say that the several States may set apart and provide for the protection of the necessary air-space reservations in addition to and not in conflict with the air-space reservations established by the President.

Mr. KING. Does the Senator think that the bill sufficiently protects the rights of the States from regulations which may be set up by the Federal authorities?

Mr. BINGHAM. I will say to the Senator that I believe the bill does give the States full rights with regard to intrastate commerce. The bill only regulates interstate and foreign commerce. The only penalties which apply to intrastate commerce or flying within the States are those concerned with the violation of rules of the road, which the Senator will recognize must be uniform all over the United States if we are to have safety in the air; but the bill does not attempt to dictate to the States who they shall permit to fly or what kind of planes they shall fly or anything in regard to the examination and certification of planes.

Mr. KING. I had in mind that municipal regulations and State regulations might be very important for the safety of the people, and in order to have full operation would regulate in part at least interstate flyers as well as intrastate. I was wondering if there was anything in the bill that would restrict the right of the States or municipalities to adopt regulations which they conceived necessary for the protection of the people, even though those regulations affected individuals who are flying from State to State. Suppose there is a regulation that no person shall operate a flying machine at an altitude less than 150 feet or 200 feet.

Mr. BINGHAM. Does the Senator refer to a State regulation?

Mr. KING. Yes; a State regulation applicable to all persons engaged in the operation of flying machines.

Mr. BINGHAM. The State now under the bill has the right to do so, and no one in interstate commerce could operate against that right.

Mr. KING. That is what I wanted to be sure of.

Mr. BINGHAM. The rights of the States have been protected in the bill.

Mr. KING. I was not sure that the Senator did not state that the rights of the States to prescribe regulations related only to machines the termini of whose operations were within the State.

Mr. JONES of Washington. Mr. President, I wonder if the Senator from Connecticut understood the Senator from Utah. As I understand, the Senator from Utah desires to ask whether machines flying in interstate commerce could be affected by State regulation. As I understand, they can not.

Mr. BINGHAM. They can not, but they can do this: The State can say that all air space, for instance, as the Senator from Utah mentioned, under 150 feet above the ground, is such a reservation that no one may fly in that in interstate commerce.

Mr. JONES of Washington. No one may fly in that in interstate commerce?

Mr. BINGHAM. Yes. That reservation is made by the State for the protection of its own citizens.

Mr. SHORTRIDGE. Mr. President, may I ask if there is any limit to the rules or regulations which the States may make as to height of flying?

Mr. BINGHAM. The rights of the States are completely protected in regard to what they consider a safe height for a plane to fly in that State.

Mr. SHORTRIDGE. In other words, those engaged in interstate commerce must respect the rules and regulations made by the States?

Mr. BINGHAM. Yes.

Mr. SHORTRIDGE. And there is no limitation placed upon the right of the States in that respect?

Mr. BINGHAM. There is no limitation placed on the right of the States to regulate the height at which planes must fly.

Mr. SHORTRIDGE. It is conceivable that a given State might stop all interstate flying.

Mr. BINGHAM. Yes; if it should go crazy.

Mr. KING. In order that there will be no misunderstanding, I would like to give one other concrete example. Suppose a State should say that no machine shall fly over the city of Chicago or over the city of Springfield or over any other large city, neither intrastate nor interstate; that no machine shall be operated over a thickly populated district, which would seem to be a reasonable regulation in view of the fact that a machine did fall in Chicago, we remember, a few years ago, and killed a large number of people. Would any person operating a machine in interstate commerce be permitted under this bill to violate that reasonable State regulation?

Mr. BINGHAM. No. The rights of the States are protected, giving them the privilege of adopting air-space reservations, provided they do not conflict with the air-space reservations as directed by the President.

The House had a provision whereby the Postmaster General and the Secretary of Commerce by joint order might direct that the facilities of the postal air mail should be handed over to the Secretary of Commerce. The Senate conferees felt that it was dangerous to grant to the Secretary of Commerce the air ports of the air mail, because that would bring the air ports under the ownership and direction of the Federal Government, and it was not our intention that any air ports should be operated by the Federal Government. The committee thought that would leave the door wide open to thousands of cities desiring to have air ports provided by the Federal Government. The Federal Government has never provided seaports, but only facilities in between seaports. Consequently the House withdrew from its desire so far as air ports are concerned, but at any time the two Secretaries—that is, the Postmaster General and the Secretary of Commerce—may jointly decide that the airway between the air ports may be turned over to the Secretary of Commerce to be operated as an airway for the public weal.

In regard to the operation of aircraft, there is no particular change except a specification accepted on the part of the Senate that foreign planes may not be engaged in either interstate or intrastate commerce. In other words, a plane flying from Mexico City to Dallas, Tex., and stopping at San Antonio, may not pick up passengers and freight at San Antonio and carry them on to Dallas, Tex., even though that is not interstate commerce.

The House had more provisions with regard to the administration of ports of entry than the Senate put in, but they are all the usual provisions applying to navigation and were not objected to, but were accepted by the Senate conferees.

With regard to definitions, the only important change, which I have already mentioned, is the definition of air port and emergency landing field. At the suggestion of certain very distinguished gentlemen, including Mr. Orville Wright, a definition was put in including the words "not used regularly for the receipt or discharge of passengers or cargo by air." The committee felt, for reasons which I previously explained, that it was very wise to discourage in every possible way the municipalities from annexing a Government-owned emergency landing field and saying, "We will not have our own air port; we will just use that field."

In regard to penalties, the House bill had criminal penalties for the violation of provisions relating to the air. The Senate had civil penalties only, and the House conferees withdrew so far as regulations were concerned, and agreed that for breaking the regulations with regard to examinations, with

regard to navigation and the rules of flying and serving with certificates, the penalty should merely be a civil penalty of not more than $500. The same rules that now apply in the navigation laws apply with regard to mitigating those penalties.

With regard to flying with a certificate which is counterfeit, a new idea so far as the Senate bill was concerned, the conferees agreed that the penalty for using a counterfeit certificate should not be as severe as that provided in the House bill, which was a $5,000 fine, but instead be one which is similar to that now in use where the master of a vessel using a certificate counterfeited for himself or his vessel; in other words, the fine is reduced to $1,000.

The penalties for using false lights, and so forth, are the same as in the Senate bill.

The law is to take effect upon its passage, but no penalty shall be enforced for any violation thereunder occurring within 90 days thereafter.

The two principal differences between the bills were regarding regulation of intrastate commerce, from which the House receded, and with regard to the Government ownership of air ports, from which the House receded.

Mr. KING. Does the bill surround the obtaining of a license with so many difficulties that it would be almost impossible to get a license?

Mr. BINGHAM. On the contrary, the bill will be found to be the most liberal bill with regard to civil aviation possessed by any country. It is not necessary for a pilot to come to Washington. A provision has been inserted whereby the Secretary of Commerce, when he satisfies himself of the qualifications of a private individual for the giving of an examination or for the examination of a plane, may, if he chooses, permit that private individual to make an examination of a plane and an examination of a person, and until such time as he finds that the private individual is improperly exercising that right he may grant that right to the private individual.

Another interesting provision has been adopted. The Senator will realize that, although a plane may be certified to as being airworthy, if it makes a rough landing on the next day it might not be airworthy the day after, and yet in ocean navigation a certificate of seaworthiness would last easily for six months or a year. The committee felt that it was advisable to give the Secretary of Commerce the privilege of making frequent examinations, and also the privilege of requiring those engaged in air commerce to have daily inspections and to submit reports from time to time to him so that he might keep track of the daily condition of the planes. Furthermore, in order that no one now having a plane might be deprived of the privilege of having it examined, without having it thrown out, the committee provided that for the first eight months after the bill goes into effect the Secretary may license such a plane without having a complete set of drawings and the design according to which it was built. In the future, however, in order to avoid the necessity of examining the inside of the plane, the design of the plane may be submitted to him before the plane shall be actually built, and if the design is approved the plane may then be certified without that kind of an examination which would cause a great deal of delay.

Furthermore, in England, as the Senator knows, the business of individual flying has been greatly retarded by the very high cost of the fees charged. Although England has certain regular airplanes operating between London and the continent and has a greater transportation business in the way of the regular carriage of passengers and freight than has hitherto been seen in this country, except in connection with the air mail, the English have charged a high fee and have provided a very severe type of examination for those engaged in private flying, with the result that there are very few airplanes engaged in private flying in England at the present time. This bill does not charge a fee for that purpose; in fact, it does not require an examination of the person engaged in private flying for pleasure or for experimental purposes.

Mr. NORRIS. Mr. President, I have been very much interested in the explanation which the Senator from Connecticut has given of the conference report. It seems to me, considering that we are entering upon a new field, the committee is entitled to a great deal of credit for what it has done, and I feel like congratulating its members.

At the same time the Senator from Connecticut has told us of one provision that involves a very serious matter and deserves careful consideration before we agree to the conference report. I understand the conference report provides for municipal ownership of airports. Am I right in that?

Mr. BINGHAM. The Senator from Nebraska misunderstood the Senator from Connecticut. The conference report does not provide for municipal ownership of airports, but it encourages it by not providing for Federal ownership.

Mr. NORRIS. That is worse yet, Mr. President. It encourages municipal ownership, the Senator says. This is a new method of transportation. If we are going to encourage municipalities to own airports the next thing we know we shall be encouraging them to own the entire system of transportation, including their street railways, their electric-light plants, and so forth. In other words, we are driving our municipalities toward socialism, to public ownership of public utilities. I am dumfounded that the great Senator from Connecticut should get behind a proposition of this kind.

Mr. BINGHAM. The Senator from Connecticut would like to say to the Senator from Nebraska that it has been the custom from time immemorial for municipalities to control their own seaports, and this is merely in the line of immemorial custom.

Mr. NORRIS. There has not been any immemorial custom about a municipality owning an airport. Mr. President, I am still a young man, and yet I can remember when the airplane was invented. I saw the first one of them fly.

Mr. BORAH. It did not fly.

Mr. NORRIS. Yes; it flew quite a distance. I have seen the airplane developed. Now, with this new method of transportation which is likely to, and some people think will, revolutionize the existing methods of transportation, we find a committee of the Senate urging municipalities to own their own airports or landing places. Are we going to interfere with private ownership of those things? Suppose I want to go up into Connecticut and acquire, own, and operate a landing place for flying machines. I will be confronted at once with an act of Congress, sponsored by the great Senator from Connecticut, under which the United States may put me out of business, an act of Congress which urges the municipalities to own such landing places and seeks to keep me from owning and operating one.

Mr. BINGHAM. Will the Senator from Nebraska be so good as to point out anything in the conference report which would discourage a private citizen from owning an airport?

Mr. NORRIS. I have not read the report, of course; I am taking the Senator's word for it; but the Senator has said here in the presence of this august body that the bill not only permits municipal ownership of landing places, of airports, but that it encourages it.

Mr. BINGHAM. The Senator from Connecticut should have said that the bill as agreed to in conference encourages municipal and private ownership of airports.

Mr. NORRIS. That relieves me a great deal. If there is some provision in it that will assist private ownership it will remove a great deal of the odium that I feared would have attached to the bill.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

JURISDICTION OVER CONDUIT ROAD IN THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 10896) to provide for transfer of jurisdiction over the Conduit Road, District of Columbia, which was read twice by its title.

Mr. JONES of Washington. Mr. President, the Senate on the last evening when the calendar was under consideration passed a bill identical with the House bill which has just been laid down. The House, however, passed its own bill. As the two measures are identical, I ask unanimous consent that the House bill may be put upon its passage at this time.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That jurisdiction and control over the Conduit Road for its full width in the District of Columbia between Foxhall Road and the District line, excepting a strip 19 feet wide within the lines of said road, the center of which is coincident with the center of the water supply conduit, is hereby transferred from the Secretary of War to the Commissioners of the District of Columbia, and property abutting thereon shall be subject to any and all lawful assessments which may be levied by the said commissioners for public improvements, the same as other private property in the District of Columbia: *Provided*, That all municipal laws and regulations shall apply to the entire width of the said road in the District of Columbia in the same degree that they apply to other streets and highways in the said District.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXHIBITION DANCE OF HOPI INDIANS

Mr. CAMERON. Mr. President, I desire to announce for the benefit of my friends and colleagues who may be interested that on Saturday morning at 11 o'clock a band of selected Hopi Indians from the Arizona Reservation, who are en route to the sesquicentennial celebration in Philadelphia, will give an exhibition snake dance in front of the Capitol, and, on behalf of the Indians, El Zaribah Temple of the Mystic Shrine, of Phoenix, and the State of Arizona, I extend an invitation to everyone to witness this unusual Indian dance.

It is unnecessary to go into details, for most of the Senators are somewhat familiar with the history of this dance. The Hopi Indians are one of the primitive, yet one of the most wonderful, tribes of Indians on the American Continent. This well-known snake dance has been attended on the native reservation in Arizona by people from all over the world. It portrays a solemn religious ritual of the tribe itself, who seek by this demonstration before the Congress of the United States and the public to show its sincerity and religious character and thus allay what they deem the unfair effort on the part of some people to deprive them of the right to conduct this religious ceremony.

This in no way is a commercial proposition, and I trust that all will be present.

LANDS IN MICHIGAN FOR PARK PURPOSES

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 7482) to provide for conveyance of certain lands in the State of Michigan for State park purposes and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. STANFIELD. Mr. President, I move that Senate bill 786, relative to the retirement of civil-service employees, be made the unfinished business, and that the Senate proceed to the consideration thereof at this time.

Mr. NORRIS. Mr. President, I make the point of order against the motion that it is an impossibility under the rules of the Senate to make any measure the unfinished business by that kind of a proceeding.

The PRESIDENT pro tempore. It can not be made the unfinished business in the form in which the motion has been stated.

Mr. STANFIELD. I move that the Senate proceed to the consideration of Senate bill 786.

The PRESIDENT pro tempore. Will the Senator please permit the Senate to dispose of the message from the House of Representatives which has just been laid down in regard to the action of the House on the amendments of the Senate to House bill 7482? The Chair will state that the message from the House relates to a measure in which, he thinks, the Senator from Oregon is interested. The clerk will again read the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 7482) to provide for conveyance of certain lands in the State of Michigan for State park purposes.

Mr. STANFIELD. I move that the Senate recede from its amendments.

The motion was agreed to.

MIGRATORY-BIRD REFUGES

Mr. NORBECK. Mr. President——

The PRESIDENT pro tempore. The Senator from South Dakota is recognized.

Mr. NORBECK. I move now that the Senate proceed to the consideration of Senate bill 2607, known as the migratory bird bill.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Dakota.

Mr. KING. Mr. President, a parliamentary inquiry. The motion is debatable, I assume.

The PRESIDENT pro tempore. It is.

Mr. DILL. Mr. President, as I understand, the so-called migratory bird bill provides for a sanctuary for birds in which private citizens are to be given licenses to shoot birds.

Mr. NORBECK. I do not think that is exactly a fair statement. If the Senator will permit me, I will try to explain it a little better than that. The bill provides——

Mr. KING. Mr. President, will the Senator permit an interruption?

Mr. NORBECK. Yes.

Mr. KING. While the Senator is explaining the bill, I wish he would explain whether or not it provides that in order to shoot, one must procure a Federal license; that if he violates any of the multitudinous rules and regulations under the treaty that was entered into with Great Britain and Canada, he is liable to indictment by a Federal grand jury and to be dragged hundreds of miles away from home to be tried; also, that if one violates any of the rules and regulations set up by the Biological Survey of the Agricultural Department, he is also liable to be dragged hundreds of miles away from home and indicted by a grand jury and put on trial in a Federal court. Will the Senator please explain if this bill does not contain those very salutary provisions?

Mr. NORBECK. Permit me to ask the Senator from Utah whether the present law so provides?

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Dakota yield; and if so, to whom?

Mr. NORBECK. I yield to the Senator from Idaho.

Mr. BORAH. I was going to ask whether this bill has been taken up for consideration.

The PRESIDENT pro tempore. A motion has been made to that effect.

Mr. NORBECK. A motion is pending to that effect.

Mr. BORAH. Is the Senator who made the motion going to debate the motion?

The PRESIDENT pro tempore. The motion is debatable; and the Chair supposes that any Senator who desires to do so may debate it.

Mr. NORBECK. The debate has started on it. There was no chance to make any explanation of the bill at all.

Mr. DILL and Mr. WILLIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from South Dakota yield; and if so, to whom?

Mr. NORBECK. I yield first to the Senator from Washington, if he desires to make just a brief remark.

Mr. DILL. Mr. President, I want to say that if this bill were simply a bill to provide a sanctuary for birds I should be most heartily in favor of it, and I think the Congress ought to pass it; but when it is a bill that provides a sanctuary for birds, and then provides that the Federal Government shall license men to go out and shoot those birds in certain parts of it—and naturally the men who will get such licenses and do that shooting are men who live near the area of this migratory-bird reserve——

Mr. NORBECK. The men who live in Chicago and New York have private shooting clubs, so they will be taken care of otherwise.

Mr. DILL. There are a good many people who live in other sections of the country besides Chicago and New York; and I do not see why the Federal Government should provide a shooting ground for people who live in those sections, even if they do not have any other shooting ground.

This bill has not passed the House. There is other legislation pending here that is, in effect, emergency legislation. The Senator from Oregon [Mr. STANFIELD] has a retirement bill that is very important. There is a radio bill pending here that is extremely important. If this session of Congress adjourns without enacting radio legislation the whole radio situation may become topsy-turvy. The United States District Court of Chicago has decided that the Government can not prosecute a man or a company who seizes a wave length and uses it in defiance of the Government, because the law passed in 1912 is ambiguous. It was not passed for the purpose of covering radio broadcasting, but for wireless telegraphy.

The radio industry has grown in this country until it involves hundreds of millions of dollars. The annual sale of radio sets now runs into hundreds of millions of dollars. Literally millions of our people are dependent upon radio for their education and their entertainment and their amusement. It has become a great cultural force in this country. The House has already passed a bill on this subject, and the Senate bill that has been reported here varies from the House bill rather widely. Unless this bill is taken up and passed by the Senate within a reasonable time before adjournment, there is no hope of a conference report being agreed to before the session adjourns.

Mr. NORBECK. Let me suggest that there is no constitutional time fixed for adjournment. There will be plenty of time to take care of these measures.

Mr. DILL. The Senator knows that after the farm legislation is disposed of there is not going to be very much more done at this session of Congress. Congress is going to adjourn and go home about that time. So I say it seems to me that with these other measures pressing we could well take up some other bill than the migratory bird bill. It is not pressing, and it is especially not pressing that the Government should supply shooting grounds for people who live in that section of the country where this migratory-bird area is to be established.

Mr. MAYFIELD and Mr. WILLIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from South Dakota yield; and if so, to whom?

Mr. NORBECK. I decline to yield further just now. I will yield to the Senator from Ohio in just a minute.

This bill is a conservation measure. The purpose of it is to establish bird refuges where the migratory birds may rest, may hatch their young, and may raise them. Nothing would please me better than to provide for no shooting whatever in the migratory-bird areas; but we have tried that, and we can not get an appropriation to enforce it. Therefore, this other plan has been adopted of requiring a Federal license to be taken out by everybody who shoots, whether he shoots in the reserve or not, and to permit a limited amount of shooting in the reserve, such as the Department of Agriculture will authorize.

It is true that the bill does provide a Federal license fee of $1 for those who shoot migratory birds; but it will also keep the migratory birds from becoming extinct. It is an important measure in that respect.

Mr. MAYFIELD. Mr. President, will the Senator yield?

Mr. NORBECK. Yes.

Mr. MAYFIELD. Can the Senator state how much money would be collected by the Federal Government under this bill from the license fees and how many game wardens would be appointed to carry out the provisions of the bill?

Mr. NORBECK. In reply to the distinguished Senator from Texas I will say that it is impossible to answer that question definitely, because no one knows how many Federal game licenses will be taken out; but no doubt there would be a large sum, possibly a million dollars. The law provides that 60 per cent of the money so received shall be used for acquiring these bird refuges and that not more than 40 per cent of it shall be used for the enforcement of the law.

Mr. OVERMAN. Mr. President, who will take the title to the refuges?

Mr. NORBECK. The Federal Government; and the bill provides that the Attorney General of the United States must pass on the title.

Mr. OVERMAN. Is there anything in the bill that provides that the Government shall buy land for the purpose of establishing a bird reserve?

Mr. NORBECK. Yes. The purpose is to buy bird reserves wherever possible.

Mr. OVERMAN. Has the Senator investigated the question of whether the Government can buy land for other than governmental purposes?

Mr. NORBECK. Yes; and this bill passed the Senate two years ago in almost exactly the same form. It passed the House during the last session. We were unable to get it to a vote here at that time. Then, just as now, each Senator felt that his own bill was the most important, and we have spent enough time talking about which bills are the most important to have passed some legislation.

I now yield to the Senator from Ohio.

Mr. WILLIS. Mr. President, I simply wanted to ask a question of the Senator. I am not interposing any objection to his suggestion. I shall be glad to vote to take up his bill, but I wanted to ask him about another matter, recalling that he is the distinguished chairman of the Committee on Pensions.

I have before me a calendar of the Senate, on which there is a large number of special pension bills—omnibus bills, they are called—including perhaps three or four thousand claims for the relief of Civil War veterans and their widows. Also, there has been a general understanding that before adjournment there would be action upon a general pension bill for those claimants. I desire to know of the Senator what plans he is making in that respect. It is a proper subject to be considered, I think, as we are determining what is to be taken up.

Mr. NORBECK. Replying to the Senator from Ohio, I will state that I appreciate his sincere interest in pension legislation. I assure him that the members of the committee of which I am the chairman are deeply concerned about it also. I may add that there has been more progress on pension legislation at this session than at any other session since I came here five years ago.

The veterans of the country have been clamoring for some relief in their old age, but our legislation has been caught in a jam here and has failed to become law. It is true that the Senate committee have maintained an attitude that has been very popular with the veterans by asking for a whole lot and getting nothing. The committee this time were of the opinion that we should take the thing more seriously and try to get what we could get. The result was that the Senate committee took the Spanish War bill as it came from the House and cut out certain features, leaving the marriage date of widows as it was before, so that those who got married after the bill was introduced and should become widows would not be the beneficiaries of the law, but every woman married within 30 years after the close of the war is eligible to pension under the bill as it passed. The Senate committee cut out the retroactive features of the bill and got it in a much more conservative shape than the House had it, and I am pleased to note that the amendments were concurred in by the House, and the bill has been signed by the President.

The Senator will also recall that we have had a large number of omnibus bills here on the calendar for a long time.

Mr. WARREN. Mr. President, if the Senator will allow me to interrupt him, has not the committee arranging the order in which bills shall be taken up on the floor marked out a place for the pending pension bills which will insure their consideration very soon?

Mr. NORBECK. Exactly so. I am getting to that. I have made several efforts to bring up the omnibus bills, and no doubt 90 per cent of the Senate are in favor of them, but one or two Senators have always objected to their being taken up on the calendar, and we have not been able to get to them. The Republican steering committee, however, in working out their problems, have provided a place for pension legislation, including all the bills that are pending or that may be brought in in the meantime, and I assure the Senator from Ohio that there is not any danger of this session of Congress adjourning without considering pension legislation seriously.

Mr. WILLIS. I thank the Senator.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORBECK. I yield.

Mr. KING. May I say to the Senators from South Dakota and Ohio that a few years ago the Senate Committee on Pensions reported a bill increasing the pensions of all Civil War veterans to $50 per month, regardless of age, condition, financial or otherwise, or whether suffering from any disabilities or not. The measure was a pure service pension bill. Of course, there were many old soldiers who were receiving pensions for injuries or disabilities who were receiving larger amounts. It was stated during the consideration of the bill by representatives of the old soldiers and their organization that if it became a law no further requests would be made for general legislation.

Mr. WILLIS. May I ask the Senator who made that statement?

Mr. KING. It was made by a number of the representatives of old soldiers who appeared before the committee, and substantially the same statement was made by the Senator who had charge of the measure on the floor of the Senate.

Mr. NORBECK. May I ask what Senator made it?

Mr. KING. Senator McCumber. I was a member of the Pension Committee at the time, and I recall that such representations were made. I do not mean to say that that is an estoppel, because nothing can estop or will estop the Senate of the United States—and, of course, I would not speak of the other body, because that would be unparliamentary—from granting pensions and bounties and subsidies for various purposes as long as there is a dollar in the Treasury or an opportunity to float Government bonds. We will continue to pass pensions and benefices and subsidies until there will be a deficit or an increase in the burdens of taxation. So there need not be the slightest concern, may I say to my friend from Ohio, about pensions. He need have no anxiety or concern about any bill that will take money out of the Treasury of the United States. It is the view of many that there should be no money in the Treasury. Congress will take it all if it can; we will go to the bottom, and then we issue bonds. If there is any extravagant body on earth, it is the Senate of the United States; and if there is any legislative body in the world that makes louder professions of economy and exercises less judgment in the matter of many appropriations it is the Senate of the United States.

Of course, I do not include the able Senator from Ohio. His great interest in this matter evidences his desire to pursue a course of economy, and no one can say that the approach of the senatorial election in Ohio has anything to do with it—of course not. The Senate is not interested in the coming election; it is wholly disinterested in the legislation considered; and appropriations and professed relief for farmers and magnificent gestures made from time to time in behalf of the agricultural interests are not superinduced by the approach of the next election. It is purely statesmanship, disinterestedness upon the part of Senators.

Now, one observation which I may make with respect to the bill before us:

A question was propounded by the Senator from Texas [Mr. MAYFIELD] to the Senator from South Dakota with regard to the amount of license fees that will be obtained under this bill. I have heard various statements as to the amount; some that

the minimum will be $1,000,000 and that the maximum will be $5,000,000. Let us assume that it is $1,000,000; that will mean that $400,000 will go for the salaries and expenses of Federal employees.

Mr. NORBECK. Not to exceed that.

Mr. KING. Not to exceed that; but that means when Congress says not to exceed 40 per cent that the employees of the Government will take 40 per cent. Not to exceed 60 per cent, it is alleged, shall be available for the purchase of lands.

Mr. CARAWAY. Mr. President, may I suggest, though, that nobody pays a cent unless he wants to. There is no compulsion upon him to pay.

Mr. KING. Of course, no one is required to take out a license, but I have no doubt that hundreds of thousands of persons will obtain Federal licenses, and I have no doubt that some who obtain licenses will at some time infract some of the provisions of the numerous rules and regulations promulgated by the bureaucrats of the Agricultural Department, and run the risk of being taken hundreds of miles from home, indicted by a Federal grand jury, and tried in a Federal court.

Mr. NORBECK. Mr. President, the Senator has not yet answered the question which I propounded to him a while ago, and that is whether the present migratory bird treaty does not also take the violator into the Federal court in the same way?

Mr. KING. Undoubtedly the present law—but I shall not trespass upon the Senator's time to discuss it now—does contain penal provisions and does provide for the trial of persons violating the provisions of the law in Federal courts.

Mr. NORBECK. Then the Senator's objection is against the present law and not against the proposed law.

Mr. KING. The bill the Senator is proposing now is a different bill from the measure which is upon the statute books. Otherwise the Senator would not be asking for its passage. If he is satisfied with the existing law, then why is he proposing a new law?

Mr. CARAWAY. Mr. President, I suggest to the Senator that the only thing this bill does is to prevent one from taking migratory birds and destroying their nests and their eggs. It provides people may hunt birds of that kind, provided they pay the insignificant sum of $1. They can hunt on their own land or the lands they rent or lease, or upon which they reside, without paying a cent.

Mr. NORBECK. And a farmer may hunt on his own land without a license. Children up to 16 years of age require no license.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. NORBECK. I yield.

Mr. ASHURST. It is obvious that within a fortnight or three weeks Congress will adjourn. I am willing to assert such as a prophecy or as a belief as to what is going to happen.

Mr. NORBECK. We have all made those prophecies every summer and found that we were mistaken. We have always stayed longer than we said we were going to.

Mr. ASHURST. Be that as it may, on the 27th of April last I called attention to the fact that there were two bills for the relief of ex-service men that ought to be considered, and I spoke in part as follows on that date:

> Obviously we are approaching a time when Members are thinking of adjournment; but I shall oppose an adjournment, and I hope to enlist the support of other Senators in opposing any adjournment, unless and until legislation is passed granting the needed relief demanded by the veterans of the World War.

At that time I placed in the RECORD, as appears on pages 8284 et sequitur, the reports from the House committees showing the need of such legislation. I will not now trespass upon the time and courtesy of the Senator who yielded to me by recounting all the features of those reports, but I do ask Senators to examine the RECORD of that day and see how important those bills are.

Mr. NORBECK. Mr. President, I know of no Senator who differs in that respect from the Senator from Arizona. Therefore, when the turn of each of those bills comes it will get favorable consideration.

Mr. ASHURST. Their turn will never come unless some one places driving force behind the bills and brings them to a turn. No matter how virtuous a bill, it is naturally inherent in legislative procedure for such bills to be lost unless they are pressed——

Mr. SMOOT. Mr. President, I want to call the Senator's attention to the fact that one of the bills referred to has already passed the Senate.

Mr. ASHURST. Yes; the bill was for the conversion of insurance, but I now refer to the Watson bill and to the Reed bill. Will the Senator from Utah, who is chairman of the Committee on Finance, advise as to the status of those bills?

Mr. SMOOT. If I am not mistaken, the Reed bill passed the Senate.

Mr. ASHURST. That was the bill for the conversion of insurance, but is not what I am now referring to.

Mr. SMOOT. As far as the other bills are concerned, the committee will meet Monday at 10.30, and the question of the reporting of further bills from the committee will be discussed at that meeting.

Mr. ASHURST. I have faith in the Finance Committee. I think the members of that committee are as zealous in behalf of bills for ex-service men as is any other Senator. I availed myself of the privilege on the 27th of April last to call attention to these soldier relief bills. One is Senate bill 3694, introduced by the Senator from Pennsylvania [Mr. REED], and the other is Senate bill 3695, introduced by the Senator from Indiana [Mr. WATSON].

They are meritorious measures in behalf of ex-service men. They have been reported favorably by the House committee, and they should be passed before Congress adjourns for this session.

I have received scores of letters in behalf of the bird bill and I have no doubt it will pass. It is suggested by a Senator sitting near me that I should not admit that it is a meritorious bill. It may be meritorious, but I doubt if it has such transcendent merit as to place it ahead of soldier-relief legislation.

Mr. BRATTON. Mr. President, I want to supplement what the senior Senator from Arizona has said, not in criticism or as voicing any objection to the immediate consideration of the bill sought to be called up by the Senator from South Dakota, but I attach such importance to the two bills to which the Senator from Arizona has referred that I think they merit the attention of the Finance Committee and should be passed before this session of Congress adjourns.

We are drawing near the close of the session, but I doubt if this session of Congress owes any greater duty to any one person than it does to the ex-service men. I think these measures carry with them such weight and such force as to entitle them and the beneficiaries under them to the early, the serious, and the full consideration of this and the other branch of the Congress.

Mr. SHIPSTEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. BRATTON. I yield.

Mr. SHIPSTEAD. Does the Senator know whether the steering committee has considered placing these bills on the program at this session?

Mr. BRATTON. I do not. That is one thing I had in mind in rising at this time.

Mr. CURTIS. Mr. President, the steering committee can not consider what bills will be taken up until the bills are reported and are on the calendar. The steering committee can not go to a committee and say, "You have to report out this bill." After bills get upon the calendar the steering committee is ready to act upon any bill in which any Senator is interested, if he will appear before it.

Mr. BRATTON. Mr. President, that makes it more important than ever that the Finance Committee give early attention to those bills in order that the steering committee may in turn give its attention to them.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. SMOOT. The bill for veterans' relief to which I referred a while ago, which was reported from the Finance Committee, did not even go on the calendar. Unanimous consent was asked, and it was passed without a word of explanation, without a word in favor of it or a word against it.

Mr. ASHURST. Mr. President, the Senator refers to the bill that was reported by the Senator from Pennsylvania [Mr. REED] the other day?

Mr. SMOOT. I do.

Mr. ASHURST. I know the Senator wishes to be accurate, and he is usually accurate, but the Senator from Pennsylvania made an explanation of the bill.

Mr. SMOOT. He made an explanation of an amendment, which took him just about half a minute. There was an amendment to the bill, and that amendment was explained by the Senator from Pennsylvania, but an explanation of the provisions of the bill would have taken quite a while. The Senator will remember that it did not take more than three minutes to pass the bill.

Mr. REED of Missouri. That is a sad commentary upon the Senate. If we are passing bills that way, we ought to be disbanded.

Mr. ASHURST. Mr. President, with the permission of the Senator from New Mexico, let me say that I was here when that bill for conversion of insurance was passed, and not arrogating to myself any superior information, I knew the substance of the bill, and I uttered a word of gratification when the bill passed. I do not want the Senate to be accused of passing a bill and not having known at the time what the bill was.

Mr. BRATTON. Mr. President, it is not my purpose to criticize either the Finance Committee or the steering committee of the majority party, but I do say that I think the responsibility rests upon the majority party to see that these two bills are considered, and are brought before the Senate in the regular way, and that we are given an opportunity to pass upon their merits. I appeal to the majority party, which is in control of the machinery here, to see that that is done before talk of adjournment seriously goes the rounds.

As to whether the bill is given a place on the program of the steering committee or whether it comes direct from the Finance Committee, or what the detailed procedure is, is a matter of inconsequential importance here. The important thing is to give these two bills a chance to pass upon their merits instead of letting them die in the committee or through failure to get them on the steering committee's program. It is for that that I appeal in behalf of these two measures, and I, for one, shall oppose any proposal for final adjournment until I exhaust my efforts in that respect.

Mr. CURTIS. Mr. President, a day or two ago a unanimous-consent agreement was entered into for a night session to-morrow night for the consideration of unobjected bills on the calendar. I am told there is to be a meeting in Virginia that will call away a number of Senators, and there are other meetings in which Senators are interested, and I have been asked to request unanimous consent to vacate that order. I want to state that if that is done, I shall ask for a night session early next week for the consideration of the calendar.

Therefore I ask unanimous consent to vacate the order for the meeting to-morrow night.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request propounded by the Senator from Kansas?

Mr. LA FOLLETTE. Mr. President, I shall not object if the Senator from Kansas can assure us that we shall have a night early next week for the calendar.

Mr. CURTIS. I am satisfied, I will say to the Senator from Wisconsin, that no one will object to the setting aside of a night early next week for the consideration of the calendar, and I shall make the request early in the week.

The PRESIDENT pro tempore. Is there objection to vacating the order for a session to-morrow evening? The Chair hears none, and it is so ordered.

Mr. REED of Missouri. Mr. President, before the Senate concludes to set aside the really important business of the Senate to take up this migratory bird bill, I think it might as well be understood that the passage of the bill is going to be resisted. It is not going to be a unanimous-consent bill by any manner of means.

I think this is a piece of very vicious and wholly uncalled-for legislation.

Mr. NORBECK. Mr. President, may I ask the Senator a question?

Mr. REED of Missouri. Yes.

Mr. NORBECK. The Senator has the same view regarding the migratory bird treaty also, that it is a vicious instrument, has he not?

Mr. REED of Missouri. I think it was a very bad piece of business. But what has that to do with the vice of this particular bill? The Senator might as well have asked me what was my opinion of the fall of Sodom and Gomorrah. It would have been equally pertinent.

Mr. NORBECK. I wanted the Senate to know that this was not anything new, but that the Senator's attitude toward all Federal legislation for the protection of wild game has always been the same.

Mr. REED of Missouri. It has not been the same on this bill, because this atrocity has just been brought out. It is very true that I opposed the enactment of a Federal law to regulate game. I opposed it on the ground that it was unconstitutional legislation. I opposed it so successfully on that ground that finally its proponents concluded that they had in some way to bolster it up and try to make it constitutional. Accordingly they waited until the treaty between the United States and Great Britain had been signed, and then they brought the legislation forward as in aid of a treaty and in that way secured a declaration that the bill was constitutional. With all the respect in the world to the Supreme Court, that decision contains some language that is at war with practically all the other decisions ever rendered by that great tribunal. So that as a matter of fact it is now established, at least until the matter comes before the Supreme Court again, that Congress has the power to regulate bird life. But that does not mean that the pending bill ought to be enacted into law by any manner of means. A power to do a thing does not imply at all that it ought to be done, for the power to do is the power also not to do or to use a little common sense in doing a particular thing.

Mr. President, the whole trend of modern legislation is to concentrate power here in Washington, to create a lot of spies, regulators, and other varieties of human scum, and to turn them loose on the people of the United States. We have undertaken to regulate everything from the birth of babies to the creation of international tribunals, and a lot of Senators sought to surrender the sovereignty of the United States to those international tribunals. Every time the people have had a chance to speak on it they have been engaged in the delectable experience of retiring certain of the proponents of those measures to private life.

We stand here and constantly talk about stopping the business of centralization, and the first time any individual can conceive of some new patent remedy for human ills he totes it down here to Washington, and we proceed immediately to give it the sanction of a statute. This measure ought to be entitled "A bill to raise a large sum of money annually to hire some additional Government sneaks and to interfere with the rights and privileges of the States to regulate their own business and their own affairs." There are a lot of men who do a great deal of talking about protecting game. What business does the Government have with the question of the killing of a wild duck that was hatched in Kansas and raised on a Kansas farm and killed by a Kansas boy? Under what clause of the Constitution did it get any right to say that a jay bird that picks up a grubworm in the State of Kansas and flies across to the State of Missouri and swallows the worm is engaged in interstate commerce? [Laughter.] It is just about as idiotic as it was to say that commerce between the sexes perpetrated in a certain State is commerce between States because they crossed the State line.

Of course, the Supreme Court takes back all these doctrines when it is confronted by an important proposition. It is said that if a man and a woman crossed the State line on a street car and go into a State and do something wrong they should be punished because they were violating interstate commerce; but when Congress enacts a statute that provides that if some employers hired little children to make goods in a State, made for the purpose of being shipped into another State, that it should be prohibited, the Supreme Court promptly says that that was an undue extension of the principles of interstate commerce. I am a great defender of courts, but I do not think courts are infallible. Two or three times the Supreme Court has held that that which is manufactured for the purpose of commerce and sent in interstate commerce can not be controlled at the source of its creation; but if a blue jay perches himself on top of a bit of Kansas alfalfa and then flies over into Missouri, he is an interstate commerce agency, if not an interstate commerce commission. The blue jay may have been hatched in Kansas and never got outside the State; and if he is killed in the nest where he was hatched, it is interstate commerce.

Now, what is the bill that we are asked to consider? The present law exists and now it is proposed to appoint a commission, a roving sort of commission, with two Senators on it, expenses paid, and with the Secretary of Agriculture, the Postmaster General, and two Members of the House. Those gentlemen will constitute a roving commission to go around and inspect swamps and out-of-the-way places and pick out the particular spots where birds like to hibernate or nest, and the probabilities are that the men selected would not know a woodcock from a mallard duck, much less where they would want to light or where they would best multiply. After they had picked out the place where the birds are requested to come and nest and lay their eggs and hatch, what happens? We then proceed to provide that every boy who lives out in the country and who sees one of these birds—not one that is going into the reserve but any one of them—flying about or lighting in the preserve, and who takes a shot at one of them can be dragged before a Federal court and fined and imprisoned unless he had taken out a license. It is true he can shoot on his father's own farm, but he can not invite his chum from town to shoot with him or the chum will go to jail, and probably the farmer's boy would go, for they would probably

both be indicted under the law of conspiracy that is now so generously used in this country.

What are they going to do with this dollar that they collect from the boy? This commission is going to establish somewhere, some place, a game preserve. It may be 100 and it may be 500 and it may be 1,000 miles away. Every boy and every man who goes hunting in the United States and who wants to hunt anything that there is to hunt must come down and pay his dollar to establish a game preserve that is probably hundreds of miles from his home.

Now, who is for the bill? I know who is for it because they have been to see me, and if they have been to see me, of course, they have been to see all the important Members of this body, for if they see the most unimportant they must have seen the important. The Audubon Society! The Audubon Society is composed almost exclusively of the aristocracy of the hunters. They are the chaps who own private hunting grounds. They are the gentlemen who are already fixed. They keep everybody off their preserves where they go to hunt. They now want the Government to buy a nesting place, a place where the birds hatch, so that when they are hatched and can fly and come across the country and within the range of these aristocratic guns aimed in their direction from a private lodge in a private preserve, these gentlemen will have something to shoot at. They want the farmer's boy and the town boy, who gets an old muzzle-loader, to pay for the establishment of the places where the birds are to hatch. I repeat, they are the aristocracy of the sports.

Many of them have fine lodges and game keepers, and if one goes on their grounds with a gun on his shoulder and happens to get across the division line, he is pounced on by them very promptly and is invited to go elsewhere. They are not bad gentlemen; but I am not in favor of taxing everybody in the country at their instance and request.

What else is proposed to be done by this measure? What is the next step? I forgot to tell Senators that under this bill one does not even have to violate a law in order to get into jail. All that it is necessary to do is to violate some regulation that has been promulgated by the Secretary of Agriculture. This bill contains a vice which many other bills have contained—and I hope none similar will ever be again passed by the Congress—making it a misdemeanor to violate a regulation not of law, but a regulation of an individual. The Secretary of Agriculture may make rules and regulations for the purpose of carrying out this proposed act. That gives him the right to make almost any kind of a rule or regulation he wishes to make, and Senators are liable to have their sons, if they are so fortunate to have sons, or their neighbor's sons, fined or imprisoned because they have done something that the wise man who is Secretary of Agriculture, an individual who 30 days previously, perhaps, was an unknown denizen of some State, has declared in a rule to be illegal.

Mr. KING. Mr. President, will the Senator from Missouri yield to me?

Mr. REED of Missouri. Yes.

Mr. KING. Several months ago I had examined many of our statutes and also regulations issued by various departments and Government agencies for the purpose of determining the number of regulations promulgated by departments, Federal agencies, bureaus, and bureaucratic agencies which contained penal provisions. The list was not nearly exhausted when it was reported to me that there were over 1,000 penal provisions in rules and regulations, perhaps not 1 per cent of the people of the United States being familiar with them.

Mr. REED of Missouri. We have reached the point in constitutional government where two or three gentlemen may get together, or one man by himself may do so, and take a piece of paper and write on it certain regulations, and if anybody does not do the thing he is told on that piece of paper he has got to do, that citizen of the United States may be sent to jail. Dropping into the vernacular, that is a fine state of affairs in a free country.

So far as I am concerned, I do not intend ever again to vote for any proposed law, however meritorious, that contains such an infamous provision. Rules and regulations! Let us see how far the drafters of this bill are willing to go. Let us examine this bill a little further. The bill provides in section 8:

SEC. 8. That no person shall take any migratory bird, or nest, or egg of such bird in any area of the United States which heretofore has been or which hereafter may be acquired—

And so forth. Section 18 provides:

SEC. 18. That for the purposes of this act the word "take" shall be construed to mean pursue, hunt, shoot, capture, collect, kill, or attempt to pursue, hunt, shoot, capture, collect, or kill.

That is the meaning of the word "take." So under this provision if a lad starts out and attempts to pursue and attempts to capture or attempts to collect, he may be promptly haled before some Federal magistrate hundreds of miles away and consigned to "durance vile," although possibly he has not done anything more in the world than to climb a tree and to look into a bird's nest.

Not only is one to go to jail if he does it, but he is to go to jail if he attempts to pursue a thing. If he starts to run down an old swamp crane, the first step he takes is toward jail or the penitentiary. Even if he gets ready, if he pulls off his jacket to get ready to run, he is attempting to get ready to pursue, and he goes to jail. Why, Mr. President, laws such as this are not enacted by the most despotic governments. Under this bill if two farmers' boys were to wander within the holy precincts of one of these preserves and in play were to chase a robin, they would be pursuing a robin and some of my friend's Federal agents would be around there to drag them to jail so they could collect some fees or collect some scalps.

Mr. CURTIS. Mr. President, I desire to ask the Senator from Missouri if he wishes to proceed further this evening? I want a short executive session, and I understand that there are two or three Senators who want to have some bills taken up and considered by unanimous consent.

Mr. REED of Missouri. I should be very glad to yield for that purpose.

Mr. CURTIS. Then I ask unanimous consent, with the consent of the Senator from South Dakota, that the pending motion be temporarily laid aside.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

GEORGE TURNER

Mr. JONES of Washington. Mr. President, for the Senator from West Virginia [Mr. GOFF], who is necessarily absent, I desire, out of order, to submit a report. I report favorably from the Committee on Claims, without amendment, the bill (H. R. 5627) for the relief of George Turner, formerly a Member of this body. Senator Turner was employed in connection with the joint commission on the boundary waters between this country and Canada. He served three or four months after we had repealed the provision for compensation, but neither he nor the department apparently knew of the provision. Senator Turner continued to render service and was paid for, I think, about three months. Then the department learned of the passage of the repealing law and called on him for a repayment.

In addition to that, Senator Turner also rendered services for another month and made a trip here to Washington City and back. The department under the law could not, of course, pay him for that. The bill which I have reported merely proposes to relieve Senator Turner from the return of what he had been paid for services actually rendered to the Government and also to pay him for the additional month's services rendered and for his expenses incurred in coming to Washington and return. I ask unanimous consent for the immediate consideration of the bill.

The PRESIDENT pro tempore. Without objection, the report will be received. The Senator from Washington asks unanimous consent for the present consideration of the bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the sum of money heretofore paid by the United States to George Turner, of Spokane, Wash., as salary for his services as counsel for the United States before the International Joint Commission on Boundary Waters for the months of July, August, September, and October, 1922, amounting to the total sum of $1,666.64, may be retained by the said George Turner as legal counsel for the said services, disregarding any question which may have been raised as to the validity of said payments, and all disbursing and accounting officers of the Government are hereby released from any liability or alleged liability on account of said payments.

SEC. 2. That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $699.93, to be paid to the said George Turner by the proper disbursing officers of the Government as compensation to him for his services as counsel of the said International Joint Commission for the month of November, 1922, and his expenses necessarily incurred in going from Spokane, Wash., to the city of Washington, and returning to Spokane upon the duties imposed upon him as counsel of the said commission in accordance with the account of the said expenses filed with the Department of State by the said George Turner.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SHENANDOAH AND GREAT SMOKY MOUNTAIN NATIONAL PARKS

Mr. SWANSON. Mr. President, in view of the fact that it is necessary that I be absent from the Senate some little time, and may not be here when the calendar shall again be called, I ask unanimous consent for the immediate consideration of a bill (S. 4073) reported earlier in the day by the Senator from Oregon [Mr. STANFIELD]. It is a bill to make effective the results of a survey which was made a year ago, and is in the nature of an enabling act to provide for the establishment of the Shenandoah and the Great Smoky Mountain National Parks. The bill has been reported unanimously by the committee of the Senate, as a similar bill has been reported by the committee of the House of Representatives. It is simply an enabling act the passage of which will cost the Government nothing.

Mr. CURTIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Kansas?

Mr. SWANSON. I yield.

Mr. CURTIS. I desire to inquire what kind of a title will the Government acquire to this land?

Mr. SWANSON. The Government will secure an absolute title in fee for a minimum of 250,000 acres in the Shenandoah National Park and a total of 150,000 acres for the Great Smoky Mountain Park. The Government will not have to pay any money whatever for it. The bill does not become operative until the acreage of land mentioned has been donated to the Government.

Mr. McKELLAR. The land is all donated by the States and by private individuals.

Mr. SWANSON. I ask for the immediate consideration of the bill.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys with an amendment, in section 3, on page 3, line 18, before the word "thousand," to strike out "three hundred" and to insert "one hundred and fifty," so as to make the bill read:

Be it enacted, etc., That when title to lands within the areas hereinafter referred to shall have been vested in the United States in fee simple there shall be, and are hereby, established, dedicated, and set apart as public parks for the benefit and enjoyment of the people the tract of land in the Blue Ridge, in the State of Virginia, being approximately 521,000 acres, recommended by the Secretary of the Interior in his report of April 14, 1926, which area, or any part or parts thereof as may be accepted on behalf of the United States in accordance with the provisions hereof, shall be known as the Shenandoah National Park; and the tract of land in the Great Smoky Mountains in the States of North Carolina and Tennessee, being approximately 704,000 acres, recommended by the Secretary of the Interior in his report of April 14, 1926, which area, or any part or parts thereof as may be accepted on behalf of the United States in accordance with the provisions hereof, shall be known as the Great Smoky Mountains National Park: *Provided*, That the United States shall not purchase by appropriation of public moneys any land within the aforesaid areas, but that such lands shall be secured by the United States only by public or private donation.

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion, to accept as hereinafter provided, on behalf of the United States, title to the lands referred to in the previous section hereof, and to be purchased with the $1,200,000 which has been subscribed by the State of Virginia and the Shenandoah National Park Association of Virginia, and with other contributions for the purchase of lands in the Shenandoah National Park area, and with the $1,066,693 which has been subscribed by the State of Tennessee and the Great Smoky Mountains Conservation Association and by the Great Smoky Mountains (Inc.) (North Carolina), and with other contributions for the purchase of lands in the Great Smoky Mountains National Park area.

SEC. 3. That the administration, protection, and development of the aforesaid parks shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a national park service, and for other purposes," as amended: *Provided*, That the provisions of the act approved June 10, 1920, known as the Federal water power act, shall not apply to these parks: *And provided further*, That the minimum area to be administered and protected by the National Park Service shall be for the Shenandoah National Park area 250,000 acres and for the Great Smoky Mountains National Park area 150,000 acres: *Provided further*, That no general development of either of these areas shall be undertaken until a major portion of the remainder in such area shall have been accepted by said Secretary.

SEC. 4. The Secretary of the Interior may for the purpose of carrying out the provisions of this act employ the commission authorized by the act approved February 21, 1925.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MAMMOTH CAVE NATIONAL PARK, KY.

Mr. SACKETT. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 4209) to provide for the establishment of the Mammonth Cave National Park in the State of Kentucky, and for other purposes.

The PRESIDENT pro tempore. Is there objection?

Mr. CURTIS. Mr. President, may I ask the Senator from Kentucky if the bill is along the same lines as the bill passed a few moments ago?

Mr. SACKETT. It is almost identical.

Mr. CURTIS. And under the bill the Government will acquire the same kind of title?

Mr. SACKETT. It will acquire the same kind of title and the people will donate the land.

Mr. CURTIS. And will they give a title in fee to the Government?

Mr. SACKETT. They will give a title in fee to the Government.

Mr. REED of Missouri. Mr. President, I think the bill had better be read.

The PRESIDENT pro tempore. The bill will be read.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That when title to lands within the area hereinafter referred to shall have been vested in the United States in fee simple, there shall be, and there is hereby, established, dedicated, and set apart as a public park for the benefit and enjoyment of the people, the tract of land in the Mammoth Cave region in the State of Kentucky, being approximately 70,618 acres, recommended as a national park by the Southern Appalachian National Park Commission to the Secretary of the Interior, in its report of April 8, 1926, and made under authority of the act of February 21, 1925; which area, or any part or parts thereof as may be accepted on behalf of the United States in accordance with the provisions hereof, shall be known as the Mammoth Cave National Park: *Provided*, That the United States shall not purchase by appropriation of public moneys any land within the aforesaid area, but such lands shall be secured by the United States only by public or private donation.

SEC. 2. The Secretary of the Interior is hereby authorized, in his discretion, to accept, as hereinafter provided, on behalf of the United States, title to the lands referred to in the previous section hereof, and to be purchased with the funds which may be subscribed by or through the Mammoth Cave National Park Association of Kentucky, and with other contributions for the purchase of lands in the Mammoth Cave National Park area: *Provided*, That any of said lands may be donated directly to the United States and conveyed to it, cost free, by fee-simple title, in cases where such donations may be made without the necessity of purchase.

SEC. 3. The administration, protection, and development of the aforesaid park shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes," as amended: *Provided*, That the provisions of the act approved June 10, 1920, known as the Federal water power act, shall not apply to this park: *And provided further*, That the minimum area to be administered and protected by the National Park Service shall be, for the said Mammoth Cave National Park, 20,000 acres, including all of the caves: *Provided further*, That no general development of said area shall be undertaken until a major portion of the remainder in such area shall have been accepted by said Secretary.

SEC. 4. The Secretary of the Interior may, for the purpose of carrying out the provisions of this act, employ the commission authorized by the act approved February 21, 1925.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

JAMES L. BORROUM AND FRANCIS P. BISHOP

Mr. MAYFIELD. I ask unanimous consent, on behalf of the Senator from Kansas [Mr. CAPPER], to call up Senate bill 4052, Order of Business No. 700. I reported this bill and told the Senator's friends that I would undertake to look out for it. It simply gives some citizens of Kansas the right to go into court and bring suit for alleged claims.

The PRESIDENT pro tempore. The Secretary will state the title of the bill.

The CHIEF CLERK. A bill (S. 4052) authorizing James L. Borroum and Francis P. Bishop to bring suits in the United States District Court for the State of Kansas for the amount due or claimed to be due to said claimants from the United States by reason of the alleged inefficient and wrongful dipping of tick-infested cattle, and giving said United States District Court for the State of Kansas jurisdiction of said suit or suits.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims, with amendments.

The amendments were, on page 2, line 4, after the words "of the," to strike out:

wrongful, negligent, careless, and inefficient dipping of about 1,107 head of cattle, which said dipping was done under the direction and supervision of the United States Bureau of Animal Industry at Argenta, Kans., in the month of May, A. D. 1916, said cattle having originated in Calcasieu Parish, State of Louisiana, and were infested with what is commonly known as the splenetic fever tick, and which said cattle were shipped from Lake Charles, La., to southeastern Kansas.

And to insert:

alleged negligent dipping at Argenta, Kans., in the month of May of the year 1916, under the supervision of the Bureau of Animal Industry of the United States Department of Agriculture, of about 1,107 head of tick-infested cattle which originated in Calcasieu Parish, La., and were shipped from Lake Charles, La., to southeastern Kansas, including in such determination the question as to whether there was any negligence on the part of the said Bureau of Animal Industry and, if so, the amount of damages, if any, which proximately resulted to said claimants, or either of them, therefrom.

And on page 2, line 15, after the word "court," to insert:

and said claimants and the United States of America shall have all rights of review by appeal or writ of error or other remedy as in similar cases between private persons or corporations.

So as to make the bill read:

Be it enacted, etc., That James L. Borroum and Francis P. Bishop, any statutes of limitation being waived, are hereby authorized to file within two years from the passage of this act their suit or suits, jointly or separately, in the United States District Court for the State of Kansas; and jurisdiction is hereby conferred upon said United States district court to hear and determine such suit or suits as may be brought upon their claims against the United States of America growing out of the alleged negligent dipping at Argenta, Ark., in the month of May of the year 1916, under the supervision of the Bureau of Animal Industry of the United States Department of Agriculture, of about 1,107 head of tick-infested cattle which originated in Calcasieu Parish, La., and were shipped from Lake Charles, La., to southeastern Kansas, including in such determination the question as to whether there was any negligence on the part of the said Bureau of Animal Industry and, if so, the amount of damages, if any which proximately resulted to said claimants, or either of them, therefrom.

The action in said court may be presented by a single petition, making the United States a party defendant, and shall set forth all the facts on which the claimants base their claims, and the petition may be verified by the agent or attorney of said claimants. Official letters, reports, and public records, or certified or photographic copies thereof, may be used as evidence. Nothing contained in this act shall be construed as waiving any defense against such demands existing prior to the approval of this act, except that the Government of the United States of America hereby waives its immunity from suit thereon; and the statutes of limitation, if applicable to said suit, are hereby waived; but every other legal or equitable defense against such demand or demands, or any of them, shall be available to the United States and shall be considered by the court; and said claimants and the United States of America shall have all rights of review by appeal or writ of error or other remedy as in similar cases between private persons or corporations.

SEC. 2. Any judgment or judgments rendered shall not exceed the sum of $15,440.04 and shall not include interest for any period before or after rendition.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS ARISING FROM SINKING OF THE "NORMAN"

Mr. McKELLAR. Mr. President, I have exactly the same kind of a bill. It is Senate bill 2273, Order of Business No. 600. I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2273) conferring jurisdiction upon the Federal District Court of the Western Division of the Western District of Tennessee to hear and determine claims arising from the sinking of the vessel known as the *Norman*, which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Federal District Court for the Western District of Tennessee to hear and determine in actions at law all claims, however arising, irrespective of the amount, for damages, whether liquidated or unliquidated, for personal injury, death, or loss or damage to property against the United States of America growing out of the sinking of the vessel known as the *Norman* on the Mississippi River on or about May 8, 1925, near Memphis, Tenn., if the party suing would be entitled to redress against the United States in a court of law in respect of such claims in case the United States were suable. Recovery under this act shall be the sole right of recovery for such claims under law of the United States. Should employees elect to sue hereunder, their right of recovery shall be limited to the provisions of this act.

SEC. 2. Any such claim may be instituted at any time within two years after the passage of this act notwithstanding the lapse of time or any statute of limitation. No statute for the limitation of the liability of the owner of any vessel shall be applicable to any such claim. Proceedings in any action under this act and appeals therefrom and payment of the judgment therein shall, except when inconsistent with the provisions of this act, be had as in the case of claims over which the court has jurisdiction in actions at law under the first paragraph of paragraph 20 of section 24 of the Judicial Code, as amended.

SEC. 3. Service on the United States of America under any suit instituted under this act shall be had on the United States district attorney of the western division of the western district of Tennessee, and the clerk of the United States district court of said district shall also send to the Attorney General of the United States a certified copy of the summons and declaration so filed, said action shall be docketed and tried as any other suit at law pending in said court and tried by jury had as in other suits at law.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MERRITT W. BLAIR

Mr. BRATTON. Mr. President, I ask unanimous consent to call up House bill 9371, Order of Business No. 775. It is a bill to this effect:

A homesteader made homestead filing and received a patent to 80 acres of land in New Mexico. After the patent had issued it was discovered that the Government had no title; that the land had been conveyed to the State some 17 years before. This bill authorizes him to select 80 acres of land elsewhere of no greater value.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9371) for the relief of Merritt W. Blair, of Abbott, Harding County, N. Mex., or his transferees, which was read, as follows:

Be it enacted, etc., That Merritt W. Blair, his successors or assigns, be, and are hereby, authorized to select and to receive patent for not to exceed 80 acres of land to be selected from the unappropriated, unreserved, nonmineral, surveyed public lands of the United States, the land selected to be in lieu of and not to exceed in value the land erroneously patent to said Merritt W. Blair on January 27, 1922, under homestead entry Clayton 024795, all interest under the said patent dated January 27, 1922, to be reconveyed to the United States by a duly executed and recorded quitclaim deed.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

NAVAL APPROPRIATIONS

Mr. HALE. Mr. President, I ask that the Chair lay before the Senate the action of the House on certain Senate amendments to House bill 7554, the naval appropriation bill.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,
May 13, 1926.

Resolved, That the House recedes from its disagreement to the amendments of the Senate Nos. 28, 29, and 37 to the bill (H. R. 7554) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1927, and for other purposes, and concurs therein.

That the House recedes from its disagreement to the amendment of the Senate No. 27, and concurs therein with an amendment as follows: In lieu of the matter inserted by said amendment insert the follow-

ing: "for new construction and procurement of aircraft and equipment, $4,962,500; in all, $18,805,288."

That the House further disagrees to the amendment of the Senate No. 20.

Mr. HALE. I move that the Senate agree to the amendment of the House to the amendment of the Senate No. 27, and that the Senate recede from its amendment No. 20.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to.

P. C. BLACK

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of House bill 8937. It involves a land question in Florida. The bill is recommended by the Secretary of the Interior.

Mr. CURTIS. Will the Senator state briefly what it proposes?

Mr. HEFLIN. It simply permits the rightful owner of certain lands down there, for a consideration to be paid to the Government, to clear up his title.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KING. Let it be read.

The PRESIDENT pro tempore. The Secretary will read the bill.

The Chief Clerk read the bill (H. R. 8937) permitting the sale of lot 9, 16.63 acres, in section 31, township 2 south, range 17 west, in Bay County, Fla., to P. C. Black, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to sell to P. C. Black lot 9, 16.63 acres, in section 31, township 2 south, range 17 west, Tallahassee meridian, in Bay County, Fla., at the rate of $1.25 per acre.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened.

RECESS

Mr. CURTIS. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 38 minutes p. m.) the Senate took a recess until to-morrow, Friday, May 14, 1926, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13 (legislative day of May 10), 1926

POSTMASTERS

MARYLAND

Stewart Rodamer, Grantsville.

MINNESOTA

Edward B. Hicks, Winona.

NEW JERSEY

Harry M. Riddle, Asbury.
Joseph G. Endres, Seaside Heights.

WISCONSIN

Daniel Murray, Nashotah.

HOUSE OF REPRESENTATIVES

THURSDAY *May 13, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, only the present is ours; the future we can not claim, but we know that Thou wilt never fail us. By day and by night Thou hast been our guardian angel; even when we have been recreant to the trust reposed in us, Thy providential care has been round about us. With renewed faith in Thee and with a humble prayer for Thy guidance, help us to move forward through the hours that await us. With courage and determination may we prove ourselves worthy of Thy manifold blessings. Bid us do the works of righteousness that shall survive when the things of time shall be no more. We pray in the spirit of Jesus our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

FARM RELIEF

Mr. GARBER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the subject of agricultural relief, the pending bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. GARBER. Mr. Speaker and Members of the House, the spectacular development of the United States from the thirteen colonies to the richest, most influential Nation in the world in a century and a half is proof of the soundness of the principles of freedom and equality upon which her life as a nation is founded. And as from a basis of these fundamental principles her national life and character has grown, so upon the solid groundwork of agriculture, her basic industry, her enormous material prosperity is built. She is like a great tree, her eager heart straining toward heaven, her roots deep in the soil, dependent upon it for life. Agriculture is the soil of our prosperity, and the farmer, like the bread that he produces, is the staff of our national life.

Periods of agricultural depression are invariably times of general economic instability and unrest, for agriculture, in a sense, controls the economic heartbeat of the Nation. The place of agriculture in the social, economic, and political structure is so fundamental that from a standpoint of self-interest alone every class of citizens in the Nation should lend its active cooperation in effecting the rehabilitation of the industry. For can a nation be economically safe when an industry of such influence as agriculture is in an unhealthy condition? Let the figures from the Agricultural Department briefly describe it.

SHRINKAGE IN FARM VALUES IN 1921 AND 1922

In 1920 the purchasing value of farm products was 131 per cent above the purchasing value of farm products in 1913. In 1922 it was only 24 per cent above the pre-war value, representing a shrinkage in the purchasing value of the 1921 and 1922 crops of six billion. In two short years the value of farm products depreciated 107 per cent, and that at the very time our exports of farm products were the largest in our history. With all basic farm products on the free list of the Underwood Act foreign farm products flooded our markets, and farm prices here hit the rock bottom of the much-vaunted world market prices. As a consequence the gross wealth produced by farmers dropped from $23,783,000,000 in 1919 to $12,366,000,000 in 1921. The farmers received just about half as much for the big crops of 1921 as they received for the big crops of 1919. Factories shut down and bread lines came back with the 5,000,000 men out of employment, representing a population of 15,000,000. At the local markets wheat sold for 65 and 68 cents per bushel; corn, 10 and 12 cents per bushel; hogs, $2 and $2.50 to $3 per hundred; cows, $8 per head; and all other products in proportion.

UNSATISFACTORY CONDITION OF AGRICULTURE

Because of such terrific deflation, amounting almost to annihilation, and his unorganized condition the farmers of this country have not received their share of the national income and farm conditions, while improving, have not as yet been restored.

Each year we have hoped that the conditions of agriculture would improve and keep pace with the growing prosperous conditions of labor and industry. Such hopes have not as yet been realized. Agriculture still sags, and the condition of the farmer still lags behind, not in the scale of production but in the distribution of the purchasing power of his products. Each year his representatives in Congress have demanded remedial legislation and many laws have been enacted for his relief, but they have not resulted in bridging the chasm between the low purchasing power of farm products and that of nonagricultural products.

FARMERS MUST ORGANIZE TO HELP THEMSELVES

There is no question but what much of this is due to his lack of organization, to his lack of bargaining power, his lack of marketing machinery. All this he must remedy himself through cooperative marketing organizations of his own making, but his lack of organization is not alone due to his own neglect so much as it has been due to the neglect of those agencies which he set up and had a right to expect would exercise a progressive leadership. Because of such agencies his whole attention has been centered on production. The Department of Agriculture and the agricultural colleges throughout the country, specializing upon this subject of production only and the demand for its increase intensified by the war's demands dis-